



Digitized by the Internet Archive  
in 2022 with funding from  
University of Toronto

<https://archive.org/details/31761115492357>





CAZON  
XC25  
F31

121  
Government  
Publications



F-19

F-19

ISSN 1180-4386

## Legislative Assembly of Ontario

Second Session, 40<sup>th</sup> Parliament

## Official Report of Debates (Hansard)

Monday 13 January 2014

Standing Committee on  
Finance and Economic Affairs

Pre-budget consultations

## Assemblée législative de l'Ontario

Deuxième session, 40<sup>e</sup> législature

## Journal des débats (Hansard)

Lundi 13 janvier 2014

Comité permanent des finances  
et des affaires économiques

Consultations prébudgétaires



Chair: Kevin Daniel Flynn  
Clerk: Katch Koch

Président : Kevin Daniel Flynn  
Greffier : Katch Koch

## Hansard on the Internet

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. The address is:

<http://www.ontla.on.ca>

## **Index inquiries**

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.



Le Journal des débats sur Internet

L'adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance est :

## Renseignements sur l'index

Adresssez vos questions portant sur des numéros précédents du Journal des débats au personnel de l'index, qui vous fourniront des références aux pages dans l'index cumulatif, en composant le 416-325-7410 ou le 325-3708.

Hansard Reporting and Interpretation Services  
Room 500, West Wing, Legislative Building  
111 Wellesley Street West, Queen's Park  
Toronto ON M7A 1A2  
Telephone 416-325-7400; fax 416-325-7430  
Published by the Legislative Assembly of Ontario

Service du Journal des débats et d'interprétation  
Salle 500, aile ouest, Édifice du Parlement  
111, rue Wellesley ouest, Queen's Park  
Toronto ON M7A 1A2  
Téléphone, 416-325-7400; télécopieur, 416-325-7430  
Publié par l'Assemblée législative de l'Ontario

## LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON  
FINANCE AND ECONOMIC AFFAIRS

Monday 13 January 2014

*The committee met at 0900 in the Holiday Inn Kitchener-Waterloo Hotel and Conference Centre, Kitchener.*

## SUBCOMMITTEE REPORT

**The Chair (Mr. Kevin Daniel Flynn):** Okay, why don't we get this started? Welcome to everybody. Thank you for being here. We've got one more member that's going to join us in progress. Let's call the committee to order. We'll start with a little bit of committee business. Do you want to do the report of the subcommittee, Catherine?

**Ms. Catherine Fife:** Your subcommittee on committee business met on Thursday, December 19, 2013, to consider the method of proceeding on the 2014 pre-budget consultations, and recommends the following:

(1) That the committee hold pre-budget consultations in Peterborough, Kitchener, Oakville and Toronto from January 13 to 16, 2014.

(2) That the committee hold pre-budget consultations in Sarnia, Thunder Bay, North Bay and Kingston from January 20 to 23, 2014.

(3) That the Clerk of the Committee, with the authorization of the Chair, post information regarding the pre-budget consultations on the Ontario parliamentary channel, on the Legislative Assembly website and with Canada NewsWire.

(4) That the Clerk of the Committee, with the authorization of the Chair, place an advertisement in a major newspaper for one day in each of the cities where the committee intends to hold pre-budget consultations, and that the advertisements be placed in both English and French papers where possible.

(5) That interested people who wish to be considered to appear before the committee contact the Clerk of the Committee by 12 noon on Thursday, January 9, 2014.

(6) That, following the deadline for requests, the Clerk of the Committee provide the subcommittee members with an electronic list of all potential witnesses who have requested to appear before the committee.

(7) That if all requests to appear cannot be accommodated in any given location, each of the subcommittee members supply the Clerk of the Committee with a prioritized list of witnesses chosen from the Clerk's list, and that the scheduling be done in the order of the government, the official opposition and the third party.

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES FINANCES  
ET DES AFFAIRES ÉCONOMIQUES

Lundi 13 janvier 2014

(8) That if all requests to appear can be accommodated in any given location, the Clerk of the Committee, in consultation with the Chair, be authorized to schedule the witnesses.

(9) That late requests may be considered, space permitting.

(10) That witnesses be offered a total of 15 minutes: 10 minutes for presentations and five minutes for questioning by party rotation.

(11) That the deadline for written submissions be 5 p.m. on Thursday, January 23, 2014.

(12) That the research officer provide the committee with a summary of the hearings and the written submissions by Friday, February 14, 2014.

(13) That, with the exception of procedural motions, the committee consider all other motions when it begins report writing on Thursday, February 20, 2014.

(14) That the committee authorize one staff person from each recognized party to travel with the committee, space permitting, for the purpose of pre-budget consultations, and that reasonable expenses incurred for travel, accommodations and meals be paid by the committee upon receipt of a properly filed expense claim.

(15) That the Clerk of the Committee, in consultation with the Chair, be authorized prior to the adoption of the report of the subcommittee to commence making any preliminary arrangements to facilitate the committee's proceedings.

I move adoption of this report.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Catherine. Any speakers? All those in favour? Those opposed? That report is adopted. Thank you very much.

## PRE-BUDGET CONSULTATIONS

## BRICK BREWING CO. LTD.

**The Chair (Mr. Kevin Daniel Flynn):** Moving on to our first delegation of the day, then: We've got some gentlemen here from Brick Brewing Co. The floor is all yours. You heard the report—15 minutes, and you use that any way you see fit. If you wanted to do the presentation for about 10 minutes and leave maybe five minutes for questions, that would work out well too.

**Mr. George Croft:** Thank you, Mr. Chair. Good morning, everybody. Thank you very much for having us here today. Maybe we'll just start with a brief introduction. My name is George Croft. I'm the president

and CEO of Brick Brewing Co. With me this morning is Sean Byrne, our CFO.

I've been in the beer business for 30 years, and certainly today you'll find that our presentation is going to be captured with some passion about the need for change within the beer category in Ontario.

The market has changed significantly; however, the structure of the beer category in Ontario is largely unchanged. What I'd like to do is just start with "Level Set," which just gets people current on the beer business in Ontario today relative to where it has been in the past.

The beer market is controlled by two large brewers—about 90% of the market—with highly diversified portfolios: Brands that you'd be familiar with within our Canadian operation, but certainly significant international brands now make up part of that business.

The three largest breweries in the country today are all foreign-owned. At one time, obviously, they were all Canadian-owned businesses with deep financial resources. What that really does mean is that the rationalization of breweries, particularly in Ontario—the landscape has changed significantly. If you take the two largest brewers that historically would have operated—each would have operated three breweries in the province—they all now just operate one brewery in the province, and it allows them to continue to automate at a pace that certainly smaller breweries like ourselves and others can't compete with.

Problematic or I guess unique, whichever way you'd like to take it, for the business in Ontario is that not only are they obviously very well funded, but they in essence control the retail distribution network. So 80% of the beer that's sold in the province of Ontario is sold in the Beer Store, which is in fact owned by Labatt, Molson and Sleeman, with little governance by the province. They run largely independent of but in fact have a monopoly within the province of Ontario. This has resulted in user fees being adjusted largely at their discretion with no real oversight at all.

Ontario is amongst the most profitable beer markets in the world, and certainly the intent of the big brewers is "the status quo is perfect." They would prefer that there would be no change, and I think the time has come.

The last point for the committee is really the driver. This isn't about Brick Brewing. This is really about the tax revenue that the province of Ontario garners from the beer category. The beer industry is changing and the beer category last year declined by 3.4% or 222,000 hectolitres. A hectolitre is 12.2 cases; it's a big number. But most importantly I think for the province, the \$22 million in lost revenue isn't a one-time number. That obviously is an annualized number, and the category is just changing. You read it all the time in the US. The dynamics in Canada are virtually the same. The craft premium business is growing; the mainstream business is under attack.

The tax threshold, as we're going to talk about, that's in place in Ontario today—not only do we not participate but it in fact is a governor for other small brewers in

terms of going through, when in fact that's the category that is growing. So if the group today is concerned about revenue for the province of Ontario, we would propose that the tax threshold is far too small in Ontario and largely is too small because of the interests of the three largest brewers in the country.

Just to put it in context in terms of size, the Ontario market represents 37% of all beer sold in the country, and we have the smallest tax threshold in the country. Alberta is probably the best benchmark to just have as a comparison. In Alberta, volume would be 25% of Ontario volume and the threshold in Alberta is four times larger than what we have here in Ontario.

With that, I'm going to turn it over to Sean.

**Mr. Sean Byrne:** Just moving to the history, I'll give you a little bit of an overview here. The small brewer ceiling for the lower tax was previously set at 150,000 hectolitres annually, and that was on a five-year rolling average. However, in recent years there have been changes to that in two steps. The first was to move from a five-year rolling average to a single year. When you're on a single year, what that does is it takes away from the small brewer the opportunity to manage through that change over a number of years. It's all of a sudden, it's all at once and it's very painful. A second step was to take the limit from the 150,000 that it had been previously and reduce it down to one third, to 50,000 hectolitres, which, as we have said, is a small base when you look at other markets with much smaller volumes than Ontario. Their small brewer cap is much higher.

Today, the base rate for packaged beer is at \$74 a hectolitre. If you are a small brewer that qualifies, you get to pay \$24 a hectolitre. If you're above 50,000 hectolitres, up to 75,000 hectolitres, you get to retain that benefit, but then beyond 75,000 hectolitres the benefit begins to decline until it falls to zero at 150,000 hectolitres.

0910

I'm just trying to summarize—our proposal and position would be to retain the small brewer ceiling at 50,000 hectolitres, but then rather than start the clawback once you go beyond 75,000 hectolitres, to take it all the way out to 400,000 hectolitres. Again, you say, "Where does 400,000 come from?" That 400,000 is twice the size of the Alberta cap, and Alberta is one quarter the size of the market in Ontario, as a representation. Also, the cap in Quebec is much larger than Ontario today as well. So for volume, up to 400,000 hectolitres, we would retain the benefit of the \$50 per hectolitre on the initial 50,000, and then beyond 400,000 start the scale back, so from 400,000 up to 450,000, at which point the small brewer benefit would have fallen to zero.

Just to represent that visually, if you flip to the next page, you'll see a few different scenarios here, starting with our proposal. Again, if you take the beer tax of \$24 at \$74 a hectolitre on volume up from 50,000 to 400,000 and then retain the lower rate on the first 50,000, what this would do is it would retain the current max at 50,000 hectolitres. Again, although that's smaller than what you see in the other provinces, the extension of this volume is

really a low cost for the province. Those small brewers, as they come up to the cap, rather than lose the benefit immediately, get to retain it for a longer period of time to manage through the loss of that impact. And really, the benefits would accrue to all small brewers with ambition to grow. Today, if you're a small brewer who is approaching the cap, you cannot grow past it. You cannot merge with others to gain efficiency to compete with the larger guys. You just face the prospect of settling in to the volume that you have and accepting the prospect that you'll never grow. The unfortunate part about that is, again, that it's really the category that's growing.

The structure, as it sits today, creates a cap on the only part of the beer category that's really doing well. That really doesn't seem to be the intention. I think if we were all to sit back and say, "How did we get here?" it would not have ever been our intention to have the retail channel owned by three large, foreign-owned brewers, and have the small guys in Ontario with no real chance to grow, and in fact, with a disincentive to grow.

Really, with this change, we believe that you'd see an incremental beer tax benefit because the small craft brewers would have a chance to grow their volume, and on that growing volume, there would be an incremental benefit to the province.

With that, I'll turn it back to George.

**Mr. George Croft:** Just quickly, four closing comments, all of which are fairly repetitive, but I think we're saying that a 50,000-hectolitre threshold in Ontario for small brewers is excessively low versus other provinces, and it does, in fact, create a disincentive for small organizations to grow. So I think not only is that the portion of the business that is growing, as Sean has outlined I think; importantly it is the sector within the province that is also creating jobs. Certainly small brewers operate less efficiently, which is arguably a bad thing, but I guess in terms of job creation, we certainly need more people to produce the same amount of beer as our bigger counterparts.

With small craft beer being the key market segment growth, approximately now 15% of the industry, just to put it in context, that number would be two times in the US. So if people kind of go, "Boy, does it feel like it's capped out?" our view would be that it's not. There's lots of room for continued growth within craft beer. It's imperative that the tax structure in place doesn't impede that growth.

A more reasonable approach is to adopt a system that encourages small brewers to grow, invest and create jobs in Ontario. It's just, I guess, one small example: I've been at Brick Brewing now for just five years and in those five years we've invested \$25 million in our operating facilities to, in fact, be able to compete better in the province of Ontario. I think the message is that smaller brewers are prepared to invest, but really, the structure, again, does impede others going through the threshold.

The outcome will be a stronger, healthier Ontario beer industry with consumer choice, improved and continued

growth of the craft beer category and an improved tax structure for the province of Ontario.

With that, thank you very much, and we certainly would welcome any questions.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, George. You've left about four minutes for questions. It goes to the official opposition first. Mr. Fedeli.

**Mr. Victor Fedeli:** Thank you very much, gentlemen, for the excellent presentation.

When you talk about increased tax revenue, do you have any calculations, any numbers with the current production levels of the smaller brewers?

**Mr. Sean Byrne:** Sure. Today, what we would say is that with 90% of the volume going to those three large brewers, that's really where the volume decline has come from. It was over 200,000 hectolitres in the most recent year and cost the province over \$20 million.

A small part of the category, that 5% to 10% that's in craft, is showing double-digit growth. If that double-digit growth were to continue, it would mitigate but not overcome the volume that you see lost in the larger brewers.

The other point I would make: Those smaller brewers, as they come up to the cap, what do they do? They're faced with the prospect of pricing themselves out of the market because they don't want to lose the benefit. So you'll see with some of those small craft guys, as they approach the limit, it is in their best interest to raise the price of their product, hurt the Ontario consumer, not grow and not add jobs. All for what? So that we can secure a retail channel for the three large foreign-owned brewers at the expense of the tax revenue for the province and higher pricing for the consumer. It's hard to see a good rationale for that.

**Mr. Victor Fedeli:** Other than the three large foreign-owned companies that you were referring to, how many brewers in Ontario are over that threshold?

**Mr. Sean Byrne:** We believe one.

**Mr. Victor Fedeli:** It's yourselves?

**Mr. Sean Byrne:** Yes. Now, what I would also say is that although there's only one, which is us, there's at least two who are approaching the limit who have really no incentive, again, to grow, and are going to find themselves, if not already, pricing their product up, to the detriment of the consumer and to the detriment of the tax revenue for the province. I would go further and say that beyond those two, there's that next wave of small brewers who are faced with a cap on their value. They can't merge, they can't combine, and they can't sell because of the cap.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you.

**Mr. George Croft:** If I could, I would just add that the two smaller brewers that Sean is making reference to both have done a very good job in building their brands. That would be Steam Whistle and Mill Street. Certainly the last transition, from 50,000 hectolitres to 75,000 in terms of the adjustment, largely would have been driven by the desire for those two brewers to have it moved out.

I think the real issue is that the threshold, both in size and just longevity, doesn't allow you to really get through.

The only other thing I would add is, I think the category can become healthy, but the category is going to require interesting, distinctive liquids. Consumers' tastes and preferences are changing. You're seeing a lot of pairing with food. But I think the message really is that the category is unhealthy today in Ontario, and the primary way to get back to health is interesting, distinctive craft brands.

**The Chair (Mr. Kevin Daniel Flynn):** One quick question, Monte.

**Mr. Monte McNaughton:** I just wondered how many people work for craft brewers in Ontario.

**Mr. George Croft:** I fundamentally don't have that number. Certainly John Hay, the president of the Ontario Craft Brewers association, would have that number. I can tell you the number that we've got here. We've got three operating facilities in the province of Ontario: a fully functional brewery in Formosa, a brewery in Waterloo, and our packaging/distribution centre in Kitchener. We would employ about 125 full-time employees, and then we seasonally ramp up to about 145 in the peak of the summer.

**Mr. Monte McNaughton:** Great. Thanks.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much for coming this morning.

**Mr. George Croft:** Thank you very much. We appreciate the time.

#### DOLPHIN DIGITAL TECHNOLOGIES INC.

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation this morning is—

*Interruption.*

**The Chair (Mr. Kevin Daniel Flynn):** That was good time management.

Our next delegation is Dolphin Digital, Jamie Burton. Jamie, if you'd like to come forward and make yourself comfortable. The same rules as Brick Brewing: 15 minutes; use it any way you see fit. If you would like to leave some time at the end, the questioning this time will come from the NDP.

**Ms. Jamie Burton:** Good morning. Thank you very much for hearing me this morning.

My name is Jamie Burton and I am the vice-president of Dolphin Digital Technologies.

In brief, Dolphin is a professional ICT consulting firm, and we specialize in virtualization. We analyze business logic as it pertains to IT and provide solutions to meet our clients' needs. We appreciate that employees offer unique skills, abilities and experiences, and our solution and practice is an inclusive approach to business structuring. By utilizing innovative technology, we have designed and implemented an IT service strategy which allowed us to remove barriers to employment for people with disabilities.

**0920**

Our submission offers Dolphin's insight and experience, as we believe that all businesses can benefit from employing people with disabilities. Our recommenda-

tions pertain to three unique considerations: a strategic business education and apprenticeship program, establishing partnerships to innovate hiring solutions to be accessible and inclusive, and a tax incentive for private businesses which hire people with disabilities.

These recommendations are made in order to assist in the development of policies which will help secure Ontario's position as a leader in employment strategy for people with disabilities, to ensure the province's long-term development of cost-effective partnerships which enable the reduction of unemployment, and to facilitate the support of businesses with social impact.

There is a business case for hiring people with disabilities, and today is a time for change. I think we have to consciously change how we think and operate as business leaders and innovators at all levels. It is my personal opinion that we require a culture shift away from the focus of disability and challenge and difference, and move towards a focus on ability and the potential of all, for the greater equation of improving all of our social and economic factors.

Current trends indicate that there are essential skills shortages in all sectors. I believe that many of these shortfalls can be mitigated by employment of persons with disabilities.

The business case for hiring persons with disabilities is a very simple equation. Employers need skilled workers. Persons with disabilities are a largely untapped human resource available to meet today's growing labour and skill shortages, and persons with disabilities are a large and growing consumer market. By hiring persons with disabilities, businesses can have the potential of opportunity in the marketplace, reduced costs by decreased turnover of employees, and innovation.

It has been proven that there is an increasing feasibility of innovation, as employees with disabilities bring unique experiences and understanding that can transform and enhance products and services. At Dolphin, we have absolutely realized that full potential.

When Dolphin began hiring people with disabilities in 2009, we quickly noted that not everyone had job experience; therefore, resumes were not full in their details. We also noted that typical hiring procedures excluded those candidates who had no experience or who suffered from various disabilities, including autism and Asperger's, hearing and vision impairment, or mental health concerns. In order to determine the best person for the job, we had to better identify their specific skills. We developed a virtual technical assessment solution, ViTAS, which allowed us to interview in a virtual environment and test specific skills. We were astounded to discover the extent of skills in these individuals who had never worked before, or who might have been overlooked had we not facilitated new strategies, including non-verbal interviews.

However, the one point of consideration for almost all job candidates who had never worked before was that few possessed business communication skills or had a knowledge of appropriate business acumen. When we

sought out external resources, we discovered that there is no comprehensive training opportunity for this. Though job developers help to identify any necessary accommodations and provide personal support to the job candidates, there is no program which develops knowledge and experience of the work environment for the job candidate.

In 2011, Dolphin began a disabilities mentoring day to help provide an opportunity for people with disabilities to learn more about potential employers and to experience business acumen. It is also an opportunity for employers to recognize the full potential in all. After our third annual event this past fall, we have clearly identified the benefit of exposure to the workplace and the potential for apprenticeships to further develop not only skills, but relevant understanding and protocol for both potential employees and employers.

Our recommendation would be that the government structure an accessible education opportunity to teach business communication and acumen to those people with disabilities with limited or no job experience. I will tell you that that job experience limitation is not because they are not qualified but because they simply have not had the opportunity.

I would also recommend that this training is provided with an augmented component of accessible apprenticeship for training and experience.

Essential to the success is partnerships in business. A partnership between public and private, or complementary businesses, can establish methodologies and solutions to develop alternative hiring strategies.

Recognizing that businesses often use pilot programs to test ROI data and proof of concept before engaging in larger-scale hiring programs, partnerships should be fostered to prove potential. For example, in the past year, a synergistic partnership was established between SAP AG and Specialisterne. SAP is a software company which saw the potential and competitive advantage to leveraging the unique talents of people with autism. Specialisterne is an internationally recognized leader in harnessing the talents of people with autism to work in technology-oriented jobs such as software testing, programming and data management. They now have a location in Ontario.

The private sector has a vital role to play regarding the employment of persons with disabilities, and partnerships can open opportunities on a larger scale. By removing attitudinal barriers and making the workplace accessible, employers can contribute to a society where persons with disabilities can participate in work life and have increased independence.

In the fall of last year, the ITU, UNESCO and other partners produced the The ICT Opportunity for a Disability-Inclusive Development Framework. The framework lists current challenges, but it also outlines specific actions to overcome barriers as they currently exist. Barriers require collaboration of stakeholders in every sector. I believe that it is business's responsibility to evoke change and agree that these esteemed experts have provided the structure of a complete solution.

Government does need to play a key role in stimulating solutions adapted to the needs of persons with disabilities, but the private sector must contribute by increasing research and development efforts and by recruiting persons with disabilities. By cohesion and collaboration, all stakeholders can change to bring about social progress, economic growth, and sustainable solutions.

Our recommendation is that the government encourage and support the establishment of strategic stakeholder partnerships to foster innovative hiring solutions which are accessible and inclusive. From that, our recommendation is that the government encourage business participation in the development of hiring solutions for persons with disabilities by providing a refundable tax credit.

Dolphin utilizes technology to enable. We also enable barrier-free employment for people with disabilities, because we believe in the potential of everyone, and we have proven that technology facilitates a level playing field. We hire abilities, and it's a great way to do business.

I thank you for the time this morning.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much. You've left about five minutes for questions. Michael? Catherine?

**Ms. Catherine Fife:** I will. Thank you very much, Jamie, for the presentation. I also just want to say that Dolphin Digital Technologies is a leader in the region, and you are leading by example. By coming here today and giving us some concrete recommendations—we certainly can take this back, because there definitely is a gap, or a reluctance to be truly inclusive in hiring across the province, and I think we need to be honest about that.

One of your recommendations is the refundable tax credit for businesses. What do you think the uptake on—is this incentive enough to create some new hires for those with disabilities?

**Ms. Jamie Burton:** I do believe that it is incentive enough for some. It is certainly not a stand-alone piece of the solution. I think it has to work in complement to the other things that we've recommended. But I do know that my colleagues, when I meet with them, especially a small business—the conversation often revolves around opportunities for a financial component, whether it be a grant or an opportunity for funding or a tax incentive. I know that there is a high level of importance placed on that.

I also know another equation. Currently, there are approximately 365,000 cases on ODSP. If only 10% of those people were employed, it would likely pay for the remaining 90% to receive those benefits. If 10% of those people were employed, it would only take 18% of our businesses in Ontario to do that.

0930

**Ms. Catherine Fife:** Excellent. That's a good example. And we know that 10% of those people on ODSP want to work.

**Ms. Jamie Burton:** Absolutely. Without a doubt.

**Ms. Catherine Fife:** And I just wanted to say, your other recommendation, or one of your practices, is

around the mentoring day—disabilities mentoring day. We participated in it this year, and it was a win-win situation for all of us and truly rewarding. It's something that we'll be participating in again, so thank you.

**Ms. Jamie Burton:** Thank you.

**Mr. Michael Prue:** I have, if there's time, just an additional question. What you said here for persons with disabilities is wonderful; I think it's wonderful. Could your idea be expanded to new immigrants?

**Ms. Jamie Burton:** Absolutely. My point of making mention of the word "inclusive" is that by designing from the perspective where you are inclusive and accessible to all, you literally are. Our non-verbal interviews use a component of software that translates into 47 different languages. There is no one that I cannot interview.

**Mr. Michael Prue:** Incredible. Thank you so much.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you for coming today, Jamie. It's appreciated.

**Ms. Jamie Burton:** Thank you very much.

#### FAMILY AND CHILDREN'S SERVICES OF THE WATERLOO REGION

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation this morning is from Family and Children's Services of the Waterloo Region, Alison Scott. Alison, if you'd like to come forward.

**Ms. Alison Scott:** Good morning, everyone.

**The Chair (Mr. Kevin Daniel Flynn):** Good morning.

**Ms. Alison Scott:** I have some handouts and reports that you can take with you. I also have my board president, Ms. Joe-Ann McComb, with me, and my director of client services, Valerie Smith-Sellers.

**The Chair (Mr. Kevin Daniel Flynn):** Very good. Thank you for coming this morning. You've got 15 minutes, like everybody else. You use that as you see fit. Everybody usually leaves about five minutes, though, for questions, so you could do that. The questions will come from the Liberal Party, from the government, this time. If you would introduce yourself for Hansard just before you speak, that would be perfect.

**Ms. Alison Scott:** Thank you. So I'll turn it over to Joe-Ann McComb, who is our board president, to kick it off.

**Ms. Joe-Ann McComb:** Good morning. Thank you for this opportunity.

Family and Children's Services of the Waterloo Region is proud of its record of providing good service to the children and families in our community, of our relationships and partnerships with others in the community, and of our efforts to spend government funds with care and due diligence. We welcome the opportunity to present to the committee in the hope it will help the government understand the importance of the investments in child welfare today and how these investments impact the children and families we serve locally.

The child welfare sector is in the midst of a large systemic change, all with the goal of improving services

and outcomes for our most vulnerable population: children who have suffered harm or who are likely to suffer harm. The changes are welcome; however, the change process is also very complex. In transforming, we need to ensure that there is sufficient attention paid to the change process and to thoughtful implementation at the organization and community level and at the broader systems level.

Our presentation today is not to ask for more. We fully recognize the economic environment and financial pressures on the government. We are, however, recommending a restoration of the investment in core child welfare funding to meet the real needs of children in need of protection across Ontario and a continued investment in the change process, which includes a new funding and accountability framework, a focus on outcomes and promising practices, and the development of a new service delivery framework for child welfare in Ontario. We also support continued investment in local services to address the underlying root causes of child protection issues in communities.

I'll now turn it over to Alison Scott.

**Ms. Alison Scott:** Thank you. I am going to be working from the report that has been handed out with the other two annual reports. I'll just start by giving a little bit of background about our agency. We are a multi-service agency that receives core child protection funding, but we also receive mental health funding for sexual abuse treatment services. We have another contract for daycare integration services with our region.

In addition to the funding that we get from the Ministry of Children and Youth Services and the region of Waterloo, we also raise funds through a very vibrant foundation. We're one of 46 children's aid societies in Ontario, and we fulfill a series of functions defined by the government of Ontario in the Child and Family Services Act for the purposes of protecting and caring for children who have been abused or neglected, or who are at risk of being abused or neglected.

As you may know, our functions are mandatory, not discretionary. We can't establish wait-lists in responding to the needs of children and families who may be at risk. Our service, in the past, has very much been volume-driven, according to those needs. We also follow a set of professional standards, established under a series of regulations, for investigating, and we deliver a range of services, including child protection, kinship services, services for children in care, foster care, residential care and plans for permanency, including adoption.

The primary driver of services in any children's aid society is related to the mandatory requirement to investigate and assess risk of children and to ensure service delivery in order to prevent future harm.

There has been a number of significant provincial changes in modernizing the child welfare system over the last 15 years, and particularly since 2006 with the provincial transformation agenda. Recently, we had a commission that promoted sustainable child welfare. Our agency has been one of the agencies that has been very active in supporting the work of the commission and the work of

the government in moving towards modernizing our system. We have been very actively involved in the accountability and performance indicators steering group in our provincial service framework and the development of our new Child Protection Information Network. We take a leadership role at the child welfare advisory committee with the Child Welfare Secretariat and in a number of provincial committees, including Ontario's Looking After Children.

We have also been involved, over the last few years, in initiatives to strengthen board governance. We just recently, this year, signed our first funding and accountability agreement with the ministry as a result of a new funding and accountability process that the government has implemented to ensure all agencies meet the mandated requirements and also submit balanced budgets and live to those.

We've invested heavily in the changes and we're supportive of them. When we look at our service results, one of the largest challenges we have as an organization is, people think we are the organization that takes kids into care, and that's absolutely true. What is less known is that 95% of the children that we receive referrals on are provided with services that allow them to live at home or live within their own family—95%. Some 10% of the kids that we serve may be children that will come into the care of an agency, either on a temporary basis or a permanent basis, and the government has made a lot of investments in those 10%, which we deeply appreciate, but we're also focusing on that 90%. We've had excellent results, and you'll see them—what you can read, I'll leave you with—in our annual report and on page 3 of my report.

Turning briefly to the work that we do in the region, I just want to identify several things that impact our future funding in the region of Waterloo. That's the growth that's identified for our population in Waterloo. We are a region that is spread thinly over rural townships, and we have 80% of our population living in three cities. We are one of the fastest-growing areas in Ontario. Some 22.3% of our population is new Canadians, and this is expected to increase to 30% by 2029. We have one of the top rates of recent immigrants and refugees moving into our community. As these folks move in, although we deliver services, the community's sense of belonging has been identified as a transitional issue of how people feel they belong and are connected to our community. We also have a growing child population and a growing rate of aboriginal children living off-reserve.

There are a number of factors in our region that impact the types of referrals we receive at Family and Children's Services of the Waterloo Region. Although we may have an overall poverty rate that is lower than the Ontario and the Canadian average, what we see is a gap between the rich and the poor that is growing and more stress at the lower end for people experiencing poverty. We believe there's a link between poverty and the other social determinants of health and the potential need for child protection services.

Families come to us with a cluster of problems—addictions, mental health, failure to provide basic needs and sometimes developmental issues—and many are coping with children with complex special needs as well, children that may have developmental issues or mental health problems, which compounds the problem.

There has also been an increasing need for children's mental health services in our region, and we notice that by the increased referrals both to our agency but also to our mental health partners locally.

Some other significant factors that impact the work of child protection have been the impact of child deaths and tragedies. In my 30 years, I had never seen it, but between 2010 and 2012, we had three children die at the hands of a caregiver in our community. Three in an 18-month time period was unprecedented for us, and it had an impact both on the community's response to report and to refer services to us, and it also had an impact on how we were responding and how our staff were coping with the trauma.

The only way that we can deliver services in a community is to ensure that we do it in partnership with all of the other service providers that provide necessary treatment to the caregivers and to the children. We strongly believe in a collaborative response for child protection.

What I'd like to speak to you about today is the current changes that we have around the new funding and accountability, and to urge the government to continue with and accelerate those changes.

**0940**

I'd like to draw your attention to pages 5 and 6 of my report, where I basically want to focus a little bit on funding for child welfare over the last few years. Funding has been essentially flat-lined for the last three years. We've started each year with an initial allocation and then, based on the real needs of communities, the government has recognized that and provided additional funding through the year for legitimate cost increases for each of those years.

Despite that, this year we had a new funding and accountability agreement and funding model with regulation changes put in place. The amounts provided this year by the government are less than the total funding provided in previous years. We've all tried to reconcile that in each of our individual ways. However, it's primarily through staffing and program cuts, which really impact those most vulnerable in our community.

I will leave you with several charts on pages 5, 6 and 7. I want to draw your attention to page 8, to the funding model impact for us. When I look at the first column in 2013, what you will see is that with the new funding model, our community is entitled to child welfare eligibility of over \$50.4 million. However, because the funding envelope has been capped, in each of the next three years our agency is receiving significantly lower than what our community is entitled to meet the basic needs. We also have a planning approval that is less than last year's actual costs. That's because of a capped funding envelope and the increased cost of doing business.

The little sliver in the first chart—I just want to highlight that it looks very small, and it struck me last night how this graph doesn't represent what's happening on the ground for us. Last year, we lost over 44 FTEs; over 70 staff left the organization and we had to reduce a number of access programs and delivery-of-support programs to families. Much of the work was downloaded onto our front-line protection staff and to our community partners. Despite doing that, we had to continue with layoffs, and we're executing layoffs—even as I'm here this morning—in other areas. We've closed all of our group homes.

We've been continuing to find efficiencies. We spent over \$370,000 in severance and labour costs last year, and we now have an anticipated \$420,000 in labour costs this year. I'm giving you an example of a snapshot of one of us. You'll hear, hopefully, through your travels, from our provincial association about the long-term impact of this across the province and on the province's children. Basically, the \$420,000 in severance costs this year comes out of the direct ability to serve families. We applied for transition funds, which the government announced to assist agencies. However, we didn't qualify and we're deemed to be ineligible, even though we feel we've met the requirements. The details are in the report.

I say this to you because I wanted to really stress a couple of things. The transformation agenda for child welfare is working. The direction that agencies are taking in managing their expenditures and still delivering core services to children in need is working. However, through the course of change, some of the policies have been implemented in a very rushed way, without the government and the sector fully understanding the implications of the policy, with some unintended consequences of potentially destabilizing agencies and placing children and communities at risk as agencies make significant cuts to their budgets in order to meet the new accountability requirement to balance.

I will leave you with a series of recommendations. In a nutshell, if we were to restore funding to the level provided in 2012-13, which at the time demonstrated the real costs, then the gap in need that agencies are experiencing this year would be met. We would also encourage the government to remove the cap on the funding envelope and accelerate the new model. The new model is based on a series of population demographics, children in need, as well as service volumes. If this were properly implemented in agencies to receive what they need, the risk to children would be low because the destabilization through the transition would be less. We believe that the service initiatives would be better and lead to better outcomes for children.

I will stop my submission at that point.

**The Chair (Mr. Kevin Daniel Flynn):** Very good. You've left time for one short question. Anybody from the Liberals?

*Interjection.*

**The Chair (Mr. Kevin Daniel Flynn):** One short question; one short answer. There are about two minutes left.

**Mr. Shafiq Qaadri:** Thank you, Mr. Flynn. Thank you, Ms. Scott, and to your colleagues. We have, on page 4 of your submission to us, issues with reference to children's mental health services. Again, I'm not sure what a short question is, but in any case, a quick comment on: What's going on on the ground for that extraordinary increase that you've cited, and what do you see going forward in terms of better integrating the children's service delivery model with reference to mental health?

**Ms. Alison Scott:** Well, the shortest answer I can give—

**Mr. Shafiq Qaadri:** Short, yes.

**Ms. Alison Scott:** —is that there has been a cumulative need in communities over a number of years. We have seen, with the economic downturn, both for adult mental health and children's mental health, rising needs. Children have been put into short-term or put on wait-lists, and what happens is that the issues become more complex.

There has also been more of a focus on providing much-needed mental health treatment. There's a new policy framework, which I fully support. The principles are fabulous, but part of the difficulty is that in some areas there are adequate mental health services and in other areas there aren't. Some of the services can have wait-lists of up to 18 months. As the problems become more complex and families can't cope, we often get referrals to our agency where they wish to abandon their children because the problems have become too severe.

We believe in partnerships with mental health where we intervene early and have a continuum of services that provide treatment in a timely way to those most in need. What often happens is that treatment can sometimes be provided on a residential basis from Monday to Friday, but then, because of the ability for agencies not to stay open on a seven-day residential model, we'll get the referrals to look after the children on the weekend.

**The Chair (Mr. Kevin Daniel Flynn):** Very good. Thank you.

**Ms. Alison Scott:** Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** That was a short question and a short answer. Thank you very much for coming today, Alison, Joe-Ann and Valerie.

#### FLOWERS CANADA (ONTARIO) INC.

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation this morning is Rejean Picard from Flowers Canada. Rejean, if you'd like to come forward. Make yourself comfortable. You have 15 minutes; use it any way you see fit. I'll let you know when you've got about five minutes left.

**Mr. Rejean Picard:** Perfect. Thank you so much. My name is Rej Picard. I'm a retired member of Flowers Canada (Ontario). Certainly, on behalf of Gerard Schouwenaar, our Flowers Canada (Ontario) president, I'd like to thank the committee for the opportunity to discuss the successes and challenges that floriculture in Ontario has as an agriculture commodity.

As a bit of an executive summary, the floriculture sector represents over \$5 billion in economic impact across Canada, with over 20,000 directly employed. These statistics are very impressive considering that the sector has seen a number of challenges to growth over the past five years. These challenges, however, have resulted in major restructuring and greatly increased efficiencies across the sector and throughout the whole value chain.

Directly, the sector generates over \$84.4 million in HST and over \$80 million in payroll for the province of Ontario. If the government would like to retain and grow this tax revenue, now is the crucial time to invest. Government reinvestment back into the sector, combined with recent positive swings in the exchange rate, will provide an unprecedented return on investment for the province.

We'd like you to consider the following: In Canada, floriculture represents \$1.4 billion in farm gate, with 20,700 people directly employed. In Ontario, \$709 million in farm gate sales, with 8,800 workers directly employed, generate a payroll of over \$80 million. The economic impact to Canada with spinoff of jobs is over \$5 billion, with over half of this benefiting Ontario. The ornamental sector is the only agricultural commodity generating HST at point of sale, resulting in \$160 million in HST in Canada and, as previously said, \$84.4 million in HST in Ontario.

A little background: We are an export-driven sector with strong domestic growth potential. Our top trading partner is the US, taking 98% of all of our exports. Exports are approximately half of what they were in 2006, when they exceeded \$600 million.

Our challenges include:

- the exchange rate;
- the US economy;
- the Canada-Columbia Free Trade Agreement;
- regulatory burden;

—the 51%-made-in-Canada rule: as an example, carnation bouquets labelled "Made in Canada" are sold here, yet there are no cut carnations grown in Canada anymore;

—competing in the global market, where almost all countries have much lower wage costs, input costs, heat, etc.; and

—big-box stores requiring more pay-by-scan arrangements and inventory management by the farmer.

Other considerations: It's \$1 million of investment per acre to build a greenhouse today. Automation is necessary to help our farmers compete. And we are family businesses providing flexible employment opportunities in rural communities across Ontario.

#### **0950**

Opportunities for jobs and growth: We're looking for investment in upgrading production facilities and production practices. We can invest in new technology, particularly automation. This sector investment creates numerous spinoff jobs in high-skill jobs in new technology systems directly related to production.

Floriculture's economic multiplier is three times, which compares very closely to the auto sector. Technology and logistics improvements increase competitiveness globally. We're particularly interested in bio-controls, where growers have embraced this method of pest control out of need, and we are a sector striving for environmental solutions. Research in the areas of water management, water access, water quality and control systems in the greenhouses is prevalent.

Our members certainly respect the province's challenges related to the provincial budget. However, we are also confident that with proper investments in floriculture combined with adequate infrastructure policy and the regulatory environment, our sector will maintain our positive business trends in the short term and add sales growth and jobs in the mid and long terms.

We're looking for investment in floriculture. We are poised for growth due to five years of downsizing and efficiencies and cost-cutting. The exchange rate with the US is becoming more favourable. Farmers have restructured and invested to be able to compete globally. Businesses are well structured and managed.

We have an existing infrastructure advantage in Ontario. We have our natural gas, our transportation systems, our water access and our technology. Government support to our sector will provide the Ontario government with excellent return on investment in areas such as climate control in manufacturing and lighting technology, computer technology, and in the area of greenhouse manufacturing, which we already export considerably to the US and around the world.

Canada is resource-rich, with water, growing media and fertilizers, and we grow and offer a trusted product in terms of volume and quality.

Our specific investment asks are listed in the brief. Specifically, they relate to self-directed risk management programs. There was considerable investment in edible agriculture, and the ornamental floriculture ask is appropriate based on farm gate sales relative to other groups.

We're looking for approval of a pickOntario marketing program. Foodland Ontario does not promote ornamentals. In order to support increased sales in a domestic market, we definitely require increased marketing programs.

We're looking for investment in the research sector, particularly in pest management through bio-control strategies, and to increase biological pest rearing within the province of Ontario.

We're also looking for two production specialists to meet with farmers to improve production techniques and to yield ultimately increased production and profitability across the sector.

Certainly, programs that we already have and we would encourage you to continue are the IRAP program, the SR&ED program, and the contributions to the Agri-Stability and AgriInvest programs. The Natural Resources Canada—NRC—energy programs are a great help. And certainly the Minister of Energy's recent announcements on the long-term energy plan related to green-

houses will be a great help in the areas of cogeneration and off-peak power rates. The environmental farm plan, the Growing Your Farm Profits and the advanced payment program are other programs that are a great help to the sector.

As I mentioned, combined heat and power, which was part of the FIT program and was dropped, has been replaced by the Minister of Energy's comments in the LSTEP, and we're looking forward to meeting with the Minister of Energy in terms of trying to narrow down that program.

We're looking for help for farmers to become more efficient through inventory and logistics control programs and information technology. We're looking for a systems-based approach to traceability and biosecurity that allows for greater efficiency and ultimately less regulatory burden. We're also looking for biosecurity programs to help ensure our trade with the US.

Ultimately, all programs that are currently offered to food agriculture should be available to all farmers, including ornamentals. Some examples of major programs that are not presently available to our farmers include risk management programs, the Ontario marketing initiatives fund, and crop insurance. These programs are all offered to food sectors only.

We appreciate the consideration of the Minister of Finance and the Ontario government towards investment that will greatly grow our sector and jobs. Our sector is also one of the most vibrant and offers an excellent return on investment. As well, these requests are crucial to our long-term viability.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you. The questioning is from the PCs this time, starting with Monte. You've got the full five minutes.

**Mr. Monte McNaughton:** Thanks for your presentation.

I represent a rural riding, Lambton–Kent–Middlesex, in southwestern Ontario. Your industry sure creates a lot of jobs down there, and I know a lot of the greenhouse operators and growers down there really play a key part in our local economy, so thanks for that.

I was wondering if you could go into more detail about the concerns regarding the regulatory burden in Ontario affecting your industry.

**Mr. Rejean Picard:** I think we're probably no different than a lot of the different sectors that are in business. The one that has particularly affected us in the last little while, the largest one, is probably working with the Ministry of the Environment on some water issues. We've managed to work very closely with OMAF on that, and we've managed to get a partnership between OMAF and MOE in terms of resolving that. We're in the process of doing that. That's helping, but it's also to a point where when we look at some of the ramifications of the demands of the perceived fixes of some of these issues, we have growers saying that it will just take them over the brink in terms of putting them out of business. So that's probably the biggest one right now.

I'll give you an example of another one. With this cold snap we've had—we have what we call interruptible

rates for natural gas, whereby the gas company can call and say, "Okay, shut down your boilers to natural gas and convert them to oil." We've only had interruption in the last few years. I heard of one case where a grower asked for oil to be delivered to continue heating his greenhouses, and he was told that TSSA had to come in and do an inspection first for approval. He didn't have time for approval; he was going to freeze his crop if he didn't get it in. Those are the kinds of things—some of them are very serious; some of them are serious nuisances—that we have to deal with. That's probably the best example I can give you.

**Mr. Monte McNaughton:** We hear a lot about concerns about the TSSA, for sure, from many different industries.

The OFA recently has been promoting the expansion of natural gas lines throughout rural Ontario and northern Ontario. Is that something that would be of benefit to your industry?

**Mr. Rejean Picard:** Absolutely. I come from Niagara, and it's not a problem there. Niagara is well served in terms of infrastructure. If I look at my friends in the sector, particularly the vegetable growers in the Leamington area, there are very serious deficiencies in terms of infrastructure; particularly, we mentioned electricity. That is a very serious one. Also, in some of the outlying areas, gas lines need to be extended in order to provide service. So, absolutely, infrastructure, both gas and electricity, is becoming a problem.

**Mr. Monte McNaughton:** Great. Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** You have about two minutes left, Vic.

**Mr. Victor Fedeli:** Thank you very much. I found something you said to be interesting. You said that we don't grow carnations in Canada any longer. Why not?

**Mr. Rejean Picard:** Well, it started probably 25 years ago when South America and Columbia, in particular, being on a plateau with an absolutely perfect climate—obviously, with a perfect climate, there's less need for capital investment. You didn't have to build the kind of greenhouse we would have to build here in a snow environment. Also, their regulatory systems allowed them to build an industry that basically took away all of the cut flower production in North America over the years.

If you read about China bringing canned peaches or pears into Canada, it's the same issue. The packaging is meeting the 51% rule, and it's creating a problem.

**Mr. Victor Fedeli:** My more pointed question is about energy rates. What percentage of input costs would your hydro rates be in this sector?

1000

**Mr. Rejean Picard:** Hydro, potentially, in the flower sector, is not that large, but I'm going to speak now for my friends in the vegetable sector. There, potentially, it's not that large now, but it's also the biggest opportunity that they have, because in the vegetable sector, they shut down production for a period of time in the winter, when there's not enough light. If they had the proper

infrastructure and had the proper rates, they could use off-peak lighting to stay in production year-round and eliminate the competition and the imports that we get from Europe and Mexico in particular.

**Mr. Victor Fedeli:** This is all done in greenhouses?

**Mr. Rejean Picard:** In greenhouses, yes.

**Mr. Victor Fedeli:** What percentage of their input costs would be hydro in those greenhouses, in that situation?

**Mr. Rejean Picard:** If you get into a lighting scenario—I can speak from experience. In a rose crop grown by the company I worked for, the lighting bill in 2012 was larger than the heating bill. Typically, the lighting alone can get into 7% to 8% of the cost of the crop, which is significant. If you're not doing any special lighting, it's not that big a number, relative to heating, but if you are lighting, it is significant.

**Mr. Victor Fedeli:** Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Very good. Thank you very much for coming today.

**Mr. Rejean Picard:** Thank you.

ECONOMIC DEVELOPMENT  
ADVISORY COMMITTEE,  
CITY OF KITCHENER  
WATERLOO REGION  
HOME BUILDERS' ASSOCIATION

**The Chair (Mr. Kevin Daniel Flynn):** If I can call forward our next delegation, from the Economic Development Advisory Committee for the city of Kitchener, and the Waterloo Region Home Builders' Association, Kevin Fergin. Kevin, if you'd like to come forward and make yourself comfortable.

**Mr. Kevin Fergin:** Good morning.

**The Chair (Mr. Kevin Daniel Flynn):** Good morning. If you would introduce yourself and your colleague. Fifteen minutes, like everybody else, and I'll let you know when you've got about five minutes left.

**Mr. Kevin Fergin:** Certainly. Thank you.

Mr. Chairman and members of committee, good morning. My name is Kevin Fergin, and I serve on the executive of the Waterloo Region Home Builders' Association. I'm also past president of the Brantford Home Builders' Association. We're proudly affiliated with both the Ontario Home Builders' Association and the Canadian Home Builders' Association.

I also sit on the city of Kitchener's economic development advisory committee as the housing industry representative. I'm also a practising licensed professional engineer, leading the community development group locally with Stantec consulting.

With me this morning is our executive officer from the Waterloo Region Home Builders' Association, Marie Schroeder.

Thank you, folks, for providing us with the opportunity to speak to the upcoming budget.

The Waterloo Region Home Builders' Association is the voice of new housing development and the professional renovation industry in Waterloo region. Our association includes approximately 250 member companies.

The residential construction industry supports over 322,000 jobs, paying over \$17 billion in wages and contributing over \$43 billion to the provincial economy.

The Kitchener housing market experienced a sharp decline this past year. Housing starts dropped by 40% from just under 3,000 units in 2012 to an estimated 1,700 units in 2013. But we're optimistic for a rebound in 2014 for 2,300 housing units, as forecasted by CMHC. I note that the reduction in these units is largely in the single detached and low-rise residential categories.

I'm providing you with these numbers and observations as context for my presentation. The numbers don't simply represent a roof over a family's head; they also represent thousands of jobs, from skilled trades to architects, planners, and engineers such as myself. We remain concerned about the broader economy, as some sectors have not fully recovered from the recession.

When consumers are not confident, when they don't have a job or job security, they don't buy a new home or renovate their existing home. This is why my deputation today focuses on the economy, job creation and ensuring a fair, transparent and evidence-based planning process.

The Waterloo Region Home Builders' Association also represents the professional renovation sector in the region. As such, within our membership we promote the RenoMark program, which helps to protect consumers by ensuring that our members provide warranties and written contracts, carry insurance, pay their taxes and obtain all the necessary permits. This is becoming more of a challenge every year, as the underground economy is rampant in the renovation sector.

I'm sure everyone in this room knows someone who has had some work done on their home for cash. These cash operators compete with legitimate businesses. They don't pay WSIB premiums or HST, and they aren't likely filing income or corporate tax returns. They also put themselves at risk by not adhering to current health and safety standards, and they put consumers at risk for liability and shoddy workmanship.

The renovation industry in Ontario represents approximately \$20 billion in economic activity. A recent Altus Group study found that at least \$5 billion in activity—so a quarter—is occurring in the underground, with approximately \$7 billion in do-it-yourself type of work.

We believe that a broad-based, consumer-focused tax credit, similar to the expired federal government's Home Renovation Tax Credit, is the best method to deal with the problem of the cash economy in the renovation sector. Fundamentally, this is a problem that is best dealt with through a regulatory system that catches these underground operators alongside a plan to address the consumer demand for cash renovations.

Related to this is the Healthy Homes Renovation Tax Credit, which we strongly supported and which offers a rebate to seniors to age in place by making accessibility-

related retrofits. I can tell you that we are working with both members and consumers to promote this tax credit. The Healthy Homes Renovation Tax Credit also has the added benefit of fighting the underground economy.

We believe that the receipts generated from tax credits provide the Canada Revenue Agency with a wealth of data that could be used to cross-reference these companies with WSIB information and building permit data to catch underground operators.

We recognize that the shift to a harmonized sales tax has some benefits to the broader economy, and specifically in manufacturing, but harmonization has brought about significant tax implications impacting new home buyers and, as I noted earlier, homeowners contemplating a renovation.

We support the enhancements the province made in June 2009 to replace the initially proposed regressive dual threshold with a progressive tax structure that has applied to new homes. This was a positive step for housing affordability. I want to be clear that while we support positive measures taken to improve the tax structure, it still represented a net taxation increase for homes valued over \$400,000.

Ontario home prices tend to rise over time, and from 2000 to 2011—so over a decade—the new housing price index increased some 44%, compared with general inflation, which rose by 26%, and the median family income, which advanced by only 20%. As a result of faster house price appreciation, and therefore to avoid further erosion in housing affordability in the coming years, we recommend that the threshold should be reviewed on a regular basis. This would substantially improve housing affordability for the middle-class new home buyer and ensure that the tax rebate continues to reflect changes in housing prices over time.

Our provincial association, OHBA, responded favourably to last year's budget, as it continued to make significant investments in core infrastructure, with the announcement of an extended three-year, \$35-billion commitment. We expect that this year's budget will maintain that commitment, as it is absolutely critical that the province continues to support job creation to ensure a sustainable recovery. We believe that strategic infrastructure investment helps enhance the quality of life, supports economic prosperity and enhances productivity.

The provincial government should also focus on core infrastructure investments, and by that, we mean roads, bridges, water, waste water and public transit. These types of investments leverage additional private sector jobs and investments while improving productivity.

I should also add that the province can't make these types of investments in isolation. It's important that land use planning policy is in alignment with long-term infrastructure. This means that provincial policy must provide leadership and municipal implementation documents, including both official plans and zoning, that should be in conformity with planned infrastructure to create investment-ready communities—specifically in our area, a two-way GO service from Toronto to

Waterloo region, anchored by a technology cluster that, arguably, is second only to Silicon Valley, and also the new Highway 7 from Kitchener to Guelph, a project that would provide economic stimulus but also address transportation safety.

I'd like to very briefly speak about why the OMB is an essential piece of the broader planning framework in Ontario. We support the principle of a strong role for the OMB to uphold the provincial interests in the planning review process within Ontario.

#### 1010

The right of appeal of a municipal council decision or where no decision is made is an important counterbalance to the political pressure created by local residents on their council. It's also important that this venue is available to proponents, neighbours, community associations and interest groups who have participated in the public planning process to ensure they have an opportunity to raise legitimate concerns with respect to the planning issues.

Waterloo Region Home Builders' Association, along with our provincial association, was active and engaged with the provincial consultation and land use planning and appeal system. The OHBA submitted their recommendations to the government last Friday. I understand that the main thrust to these recommendations was to make improvements at the front end of the planning process to better align municipal and provincial policies and to create more certainty in the planning system for all stakeholders, including developers, municipalities and the general public. If we can create a better and more certain framework for land use planning decisions at the front end of the process, we'll resolve more issues early on and have far fewer disputes, resulting in fewer appeals to the OMB.

In closing, I'd like to thank you all for your attention and reiterate our key themes. We support a permanent home renovation tax credit to combat the underground economy. We support continued investment in core infrastructure. We support improvements to the planning process to provide greater certainty for all stakeholders at the front end of the process. Lastly, we recognize that the province is in a deficit position and this may not happen immediately, but we believe it's important that the province commit to a regular review of the new housing HST threshold at least every five years.

I thank you for your attention, and I'm available for questions.

**The Chair (Mr. Kevin Daniel Flynn):** Great. Thank you, Kevin. There are about three and a half minutes. Catherine or Michael?

**Mr. Michael Prue:** You had me until you got to the OMB, I have to tell you. Why is it that you are such a supporter of such an institution? We are the only province in Canada that has one. Why do you think we need this archaic, unelected body to tell municipalities what to do?

**Mr. Kevin Fergin:** I think that the OMB doesn't necessarily tell municipalities what they are to do. Rather, I

think what they do is they balance all the information to provide for good planning decisions. As we know, councils will not always follow the recommendation of their staff. Their staff, with planning expertise, will bring those recommendations forward, presumably on evidence-based and science-based recommendations. It would be our submission that the OMB provides a balanced approach that not only addresses the private sector concerns, but also public sector concerns.

**Mr. Michael Prue:** Municipalities are required to put in official plans, zoning bylaws, to be in conformity with provincial guidelines—they all do it—and then they see an unelected body overturn what citizens in their respective municipalities expect to happen. Why is that fair?

**Mr. Kevin Fergin:** I guess I would counter-argue that perspective with saying I'm not certain that the decisions made by councils are always representing the greater body. I think the Ontario Municipal Board provides that balance.

**Mr. Michael Prue:** Go ahead.

**Ms. Catherine Fife:** Thank you very much, Kevin. I don't know, Marie, if you might want to weigh in on this because I can see you feel strongly about the OMB.

You're here today, Kevin, also on behalf of the Economic Development Advisory Committee of the city of Kitchener. Is it their opinion that the OMB needs to be reformed at the front end, as you pointed out? I know the position obviously of the home builders' association with regard to the OMB, so what is the position specifically of the Economic Development Advisory Committee?

**Mr. Kevin Fergin:** The Economic Development Advisory Committee hasn't submitted a position on the OMB.

**Ms. Catherine Fife:** Yes, but you're here today. There's sort of tension between those two organizations.

**Mr. Kevin Fergin:** I would suggest that there's not tension, rather the Economic Development Advisory Committee provides a perspective on certain issues. They haven't discussed the OMB. I think I missed one meeting, and I don't think they discussed it there. But I'm also here on behalf of the home builders' association and certainly we'd like to see the integrity of that body maintained.

**Ms. Catherine Fife:** I think that no party here would argue against—any organization like the Ontario Municipal Board needs to be reviewed and needs to be revised, from a policy perspective, because there has been policy that has been put out by the Liberal government—the good places to grow. The region of Waterloo, quite honestly, exceeded all expectations with regard to planning in that regard. Yet then the Ontario Municipal Board came back and undermined almost five to seven years of planning in that regard.

I don't know. I think maybe, Marie, you'd like to weigh in on the Ontario Municipal Board? No?

**Mr. Kevin Fergin:** I don't want to speak specifically to the Ontario board hearing that you're referring to. I don't think that would be appropriate. But what I would

say is that I would suggest again that the Ontario Municipal Board is evidence-based. I would also suggest that with respect to comments about the region and planning, clearly, we're having a challenge in terms of meeting market demands. Our housing starts are down, yet by all indications, the consumer is telling us that there's still a demand for housing. So we would hope that that would—

**The Chair (Mr. Kevin Daniel Flynn):** Okay, I'm going to have to jump in there. Your time expired about a minute ago, but I didn't want to interrupt you mid-sentence. Thank you very much for coming today.

**Mr. Kevin Fergin:** Thank you.

### GRAND VALLEY CONSTRUCTION ASSOCIATION

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation this morning is from the Grand Valley Construction Association. Martha George? Martha, if you'd like to come forward. Make yourself comfortable; fifteen minutes, like everybody else. Most people are trying to leave about five minutes for questions. If you'd introduce yourself, and the floor is all yours.

**Ms. Martha George:** Thank you. My name is Martha George. I'm the president of the Grand Valley Construction Association. We are a not-for-profit organization that represents the interests of the industrial-commercial-institutional contractors in the geographic area of Kitchener-Waterloo, Cambridge and Guelph.

I'd like to thank you for the opportunity to bring concerns from the construction industry for your consideration. There are two topics that I'd like to speak on, and the first is on prompt payment legislation.

The construction industry is asking the government to make Bill 69 a top priority. Most construction work is project-based, and payments for work completed flow through a project chain, from an owner at the top of the chain to the general contractor to trade contractors and then to subcontractors and suppliers. Late payment is endemic in this industry.

Some participants along the project chain, rather than paying the contractors they have hired to perform the work on a project, will hold on to monies paid to them for project work or divert it to non-project-related processes and purposes.

As a consequence of late payment, the financial risk of a project is, unfairly and without justification, transferred onto the smaller contractors down the project chain. Late payment leads to lower employment in construction, reduced investment in apprentices, machinery and equipment, and inevitably increases the cost of construction services, and in some cases forces contractors into bankruptcy.

Governments in many other jurisdictions have recognized the unfairness that widespread and chronic late payment in the construction industry produces and have responded with prompt payment legislation. This includes the United States, the United Kingdom, Australia,

Ireland and New Zealand. In fact, other provinces in Canada are keeping a close eye on Ontario in our efforts to make prompt payment legislated.

Late payment exists in all types of construction projects, including industrial, commercial, institutional, heavy civil and residential. Wherever there is a construction project with an owner, a general contractor, trade contractors and suppliers, there will be an opportunity for late payment and all its negative consequences.

Prompt payment is supported by COCA, the Council of Ontario Construction Associations; the NTCCC, which is the National Trade Contractors Coalition of Canada; ORBA, the Ontario Road Builders' Association; the OCS, the Ontario Construction Secretariat; and others. It's also supported by labour, which includes the building trades council. Statements of support have been made by Premier Wynne, Mr. Hudak and Ms. Horwath.

This bill is supported by a study by Prism Economics—which was a report on more construction jobs, more apprenticeship positions, increased spending on capital and equipment—and the Broadbent Institute. The legitimate objections of those who are opposed can be dealt with through friendly amendments. The government must make it a top priority and ensure it is dealt with at a committee soon.

1020

Those who oppose Bill 69 are those who don't want to pay contractors for work that has been completed without deficiency in a fair and timely way. Bill 69 is based on standard contracts that have been developed and refined through many years through an industry consensus process managed by the Canadian Construction Association. Bill 69 provides a process for timely payment for work completed and with allowances for deficiencies, and it allows contractors to stop work in the event of late payment and to charge interest on overdue amounts.

The second issue is open and fair tendering practices in public infrastructure. Current labour laws are not clear on certification of owners such as municipalities and school boards. Currently, the labour board applies collective bargaining rules for construction companies to municipalities and school boards. Once the public sector employer becomes certified under these rules, owners must contract out all infrastructure projects to only those construction firms who are signatory to a specific union.

This unfair practice excludes many qualified contractors from the bidding process. These are not only contractors; they are taxpayers who are excluded from the opportunity of either bidding or working on projects that they are paying for through their tax dollars.

Collective bargaining rules for construction businesses should not apply to municipalities and school boards. We need a legislative change to the labour laws to make it clear that collective bargaining rules for construction businesses should not apply to municipalities and school boards.

By making this important legislative change, it would ensure that all qualified contractors have the right, regardless of their union affiliation, to work on local

infrastructure projects and that public officials have the ability to get the highest-quality work at the best possible price for taxpayers through an open and fair tendering process. Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Very good. You've left quite a bit of time there for questions. This time, it goes to the Liberals. Donna?

**Mrs. Donna H. Cansfield:** Thank you very much. Thank you, Ms. George, for your presentation. As you know, Bill 69, I believe, passed second reading and has gone to committee. And it was Mr. Del Duca. So it did receive all-party support; it was unanimous, so hopefully it will proceed, now that it's in committee, to the hearings that should be—

*Interjection.*

**Mrs. Donna H. Cansfield:** It has to be called—yes, of course. We could all work on that.

**Ms. Martha George:** And that's what we're asking for.

**Mrs. Donna H. Cansfield:** Absolutely. I think, since everyone agreed, that it makes some sense to bring it forward and see what we can do. So we'll take that message back loud and clear.

**Ms. Martha George:** Thank you.

**Mrs. Donna H. Cansfield:** Your association works with the industrial, commercial and institutional sector. I found it interesting from the gentleman who participated as well that neither of you mentioned development charges. Do I make an assumption you're happy with them?

**Ms. Martha George:** I didn't bring development charges to the table. I really wanted to focus on these two issues, and I'm not sure when the region brings their development charges out or when they update them. Possibly the chamber will speak on that. No, I didn't bring it, but of course it is a concern.

**Mrs. Donna H. Cansfield:** And I'm very interested because of the extraordinary differences in and amongst the different municipalities and regions on the use of development charges and what they charge and also how they use the dollars. So I'm curious in terms of whether or not you think there should be some uniformity, because obviously you pass those development charges off to the homebuilder or the institution or whomever. In some cases, they are extraordinarily high. That's the first question.

The second question is, would you consider it some of your responsibility as to how those dollars, those monies, are used in terms of supporting that community, for example, that you're building?

**Ms. Martha George:** Absolutely. In terms of the usage of the development charges, ensuring that infrastructure is maintained on a regular basis, absolutely, so that there's not a crisis within a 10-year period because monies haven't been allocated correctly.

In terms of the uniformity of building development charges, it would, in my opinion, make sense—and I'll speak on our region—to be attractive compared to other municipalities across Ontario in terms of attracting

business. Certainly, if you have a competitive advantage by having development charges that are in line with other municipalities, it definitely would make sense.

**Mrs. Donna H. Cansfield:** It has been a while now, but if I recall, part of the area that's available for you to grow is in your southwestern part of the region of Kitchener-Waterloo. Is that correct? Because I think if I recall, when I was Minister of Transportation we actually announced Highway 7. That's a few years ago. Some things have taken some time to unfold. But if that's the case in terms of where your ability to grow is, then how critical are your transportation infrastructure needs to be able to develop that area?

**Ms. Martha George:** Absolutely critical. Even looking at the Conestoga Parkway that only circles half of the city, if you're going to reduce gridlock, having infrastructure in place that would accommodate people living in the southwest end of the Kitchener area to be able to—you might as well live in China as opposed to living there, in terms of trying to get over to Cambridge, for example. Gridlock is a terrible problem in our region.

**Mrs. Donna H. Cansfield:** When you're doing the planning with the municipality—let's say you're putting in a new hospital, a new school or whatever—and you sit down and you talk about the needs of that infrastructure, is it part of the original official plan or do you work in terms of the long term? The reason I'm asking this is that, of the 385 municipalities, only 43% of them have put in their official plans. There's an enormous number out there who have not put in the official plans. I understand and realize that it's often a growing thing. It will change and you just need to be flexible as well, but without that document and some specificity, you cannot do some of the planning you choose to do because of that changing, or it's not in the plan itself. So how do you sit down with your municipality? Do you sit down with municipalities to do that longer-range strategic planning, especially when you're restricted as to where you can grow?

**Ms. Martha George:** No, we haven't been involved in long-term strategic planning. What we really do in our association—and certainly that could very much be a part of it. The things that are keeping our businesses alive are getting paid and having the ability to work and access construction projects. It's maybe at more of a micro level. When you're speaking in terms of long-term development, it's more of a macro level. It's not that we don't focus on higher-level issues—we certainly do—but the ones that I'm bringing today I really feel are critical.

In many cases, a lot of our contractors are in survival mode because they're not getting paid. They are hung out to dry for millions and millions of dollars because they're not getting paid. It's a real issue. In the last three months I've had three major bankruptcies of contractors. It can be many reasons, but part of it is not getting paid.

**Mrs. Donna H. Cansfield:** And because they're a subcontractor on—

**Ms. Martha George:** They're subcontractors or they're general contractors working for an owner. If we

can get prompt payment going—it starts right from the owner, who's required to pay, to the general contractor, who's required—subcontractor, sub of sub and supplier, all the way down the chain. Typically, there's no proof of payment and no requirement to pay within a certain time. So we believe that bringing in legislation would—

**Mrs. Donna H. Cansfield:** Be helpful.

**Ms. Martha George:** —be very helpful.

**Mrs. Donna H. Cansfield:** And I appreciate that, and I think everyone here does. I think the message is loud and clear that we'll take back to the finance folks.

My other question revolves around the whole cost of housing. I always find it difficult—a little bit is my age, maybe, but when someone starts to talk about a house at \$465,000 being affordable, I have to gulp just a little. I just think, as a first-time buyer, that's pretty harsh. I think the gentleman said that a 44% increase in the cost of housing over 10 years is difficult. So my question then is, how and when do you sit down—again, it's planning—to lower those costs? I'll give you a good example. I remember that a few years ago, you had to have a trench for Bell, you had to have a trench for Rogers, you had to have a trench for hydro and you had to have a trench for the gas. I was kind of thinking that maybe you could have one or two trenches instead of five.

1030

**Ms. Martha George:** First of all, we don't do any residential.

**Mrs. Donna H. Cansfield:** No, but even in commercial, you have the same problem.

**Ms. Martha George:** But there is One Call to bring—

**Mrs. Donna H. Cansfield:** That's not what I'm talking about. I'm talking about in building.

**Ms. Martha George:** Oh, okay.

**Mrs. Donna H. Cansfield:** I understand the One Call if you're digging. I'm talking about when you actually put in. So my question is, how do you work together with your subcontractors, with the other organizations, to help to reduce those costs that ultimately are passed on to the homeowner, so that it can in fact stay affordable? I still have difficulty with a 44% increase; I'll use that one, but it's no different when you look at what a hospital cost in 2000 and what it costs today.

I appreciate that part of your responsibility here is to bring the payment issue. Part of our responsibility to the taxpayer, as well, is, how do we find a better, more efficient way to work with you to make things more affordable?

Thank you for your presentation.

**Ms. Martha George:** Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much for coming today, Martha.

#### POVERTY FREE KITCHENER-WATERLOO ACTION GROUP

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation this morning is from Poverty Free Kitchener-Waterloo Action Group: Brad Ullner and some col-

leagues. Make yourselves comfortable. Like everybody else, you get 15 minutes. I'll let you know when you've got about five minutes left. The questioning this time will come from the Conservative Party. If you would introduce yourself for Hansard before you speak, that would be great.

**Mr. Brad Ullner:** My name is Brad Ullner. I'm here this morning with the Poverty Free Kitchener-Waterloo Action Group. I'm a resident of Waterloo.

The Poverty Free Kitchener-Waterloo Action Group is built through the participation of social services agencies, groups and individuals. The group has been mobilizing local voices in consultations on Ontario's Poverty Reduction Strategy and the social assistance review since 2011. It's a diverse group, but we share many of the same principles and values.

Austerity is not the way to set budgets in Ontario. Investment is needed in public services and the income security system, which are most needed in times of growing economic and social inequality. There should be no further partial changes to the social assistance systems while the province is working towards a high-level vision and an implementation plan for its new Poverty Reduction Strategy.

The way to set a province's budget should be to raise everyone from deep poverty or working poverty by setting decent social assistance rates and the minimum wage. Different ministries and levels of government have to work together if we want to help people find and keep decent work or access disability support programs with dignity and respect.

We do not believe that everyone is able to work in the current labour market. Insisting on employment as the solution for poverty is not recognizing that as much as labour standards and income security are being eroded, the health conditions and life expectancy of the population are being negatively impacted. We believe the government has to keep honest and ongoing conversation with people from all social groups and do it in a meaningful and accessible way.

**Mr. Alex Troeger:** The local framework helps us understand many things that we face in our day-to-day lives. Poverty Free Kitchener-Waterloo has organized many public forums and conversations about poverty reduction. People need to know how their daily lives will be changed with government actions and policies.

We need to know if there will be food on our tables tomorrow, if we will be able to pay for prescriptions for our families to remain healthy, if we will have a warm bed to sleep in tonight, or have orthotics to go volunteer or work as we used to or need to, or in whatever way we see necessary.

We use the local framework so people can see what makes the difference—and that before the social assistance rates or wages are high enough for decent living, the province has to increase the cap for discretionary benefits per person to at least \$15 so that we can have enough food hampers, have medication or dental care, receive bus tickets and be able to lead our lives with dignity. The

province has to invest more in housing and homelessness prevention so that people do not need to end up in a shelter to be able to receive money for their last month's rent. The province has to invest in labour standards to make sure that there are stable and safe working conditions or that those who get sick or injured can recover without being forced back to work and becoming long-term or permanently disabled.

The politicians are changing the language and moving away from blaming people for being poor. At the same time, their economic growth language is becoming what we hear. There is no economy without people. There is no real investment into economy if there is no investment in people first.

On your last page, you also have nine criteria that Poverty Free KW uses to determine poverty levels, and our framework in determining our actions that we follow at this time.

**Mr. Brad Ullner:** You'll want to give your name too, Alex.

**Mr. Alex Troeger:** My name is Alex Troeger.

**The Chair (Mr. Kevin Daniel Flynn):** Is that the end of the presentation, or do you have some more, Brad?

**Mr. Brad Ullner:** No. That's our presentation; thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much for the presentation—very good.

We're going to the Conservatives for questioning, Vic?

**Mr. Victor Fedeli:** Gentlemen, thank you very much for a wonderful and compelling presentation.

On page 3 of your presentation, there's a local framework for successful poverty reduction outcomes. Those are the nine criteria that you spoke of. We've got considerable time here this morning. Can you walk us through those nine criteria? Just guide us through those a little bit, if you don't mind, for the benefit of the record.

**Mr. Brad Ullner:** Just literally to read the nine points is what you're—

**Mr. Victor Fedeli:** You could read them, but we do have a bit of time. You could maybe offer a sentence with each one.

**Mr. Brad Ullner:** I will do that.

**Mr. Victor Fedeli:** Thank you.

**Mr. Brad Ullner:** Fulsome thinking about the subject of poverty reduction and social assistance reform is multi-faceted. Out of our discussions and meetings that we've had—you can actually see a report attached to the package from February 2013, which was the start of some of our thinking on this framework, from where it came. These are our nine points on the multi-faceted nature of where we see poverty reduction and income reform coming from.

The number one issue, of course, is social assistance rates. While I think many of us in the room will agree that rates are important, it's not the only aspect of these issues that needs to be discussed. When dealing with these issues, one-size-fits-all certainly doesn't fit all circumstances. Dignity and respect are key points. Do

people in these systems feel dignified and respected? Reform will go a long way if people feel more dignified and respected. Bureaucratic systems are hard to deal with and navigate through. A simpler system that continues to meet needs would be a welcome part of reform.

**1040**

**Mr. Alex Troeger:** I'd like to add something about supports in relationship to income and employment supports. Sometimes there are different supports that are needed. If you're in housing, you sometimes need supports to be able to stay in the housing. In regard to employment, you need supports sometimes, whatever those supports may be—bus tickets, or some other form of visual or auditory help to be able to do your job. In many cases, those don't exist. Especially when you're working, certain labour standards need to be maintained so that if you get injured or you get partially disabled and you go back to work, you're able to work again. In those areas, I'd see it as necessary that supports be re-examined and looked at to determine how they could be changed to better benefit the people involved.

**Mr. Victor Fedeli:** Thank you very much, gentlemen. We really appreciate the opportunity to listen to you today.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much for coming today.

**Mr. Brad Ullner:** Thank you.

#### SOCIAL PLANNING COUNCIL OF KITCHENER-WATERLOO

#### COMMUNITY INFORMATION CENTRE OF WATERLOO REGION

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation this morning is from the Social Planning Council of Kitchener-Waterloo. Trudy, are you with us? Okay, come forward. Make yourself comfortable. You've got 15 minutes, like everybody else. I'll let you know when you've got about five minutes left.

**Ms. Trudy Beaulne:** Thank you. I forgot to bring my clock up, so I'll count on you to do that.

**The Chair (Mr. Kevin Daniel Flynn):** I have a very honest clock.

**Ms. Trudy Beaulne:** Excellent. These are handouts.

I want to thank you for the opportunity to be here today. I'm pleased to see some of our local MPPs. I see one; I saw another one earlier.

I'm Trudy Beaulne. I'm the executive director at the Social Planning Council of Kitchener-Waterloo. We're an organization that's focused on social development. We've been around since 1967. Our role is to cultivate community knowledge to advance social justice and social development. It's really important that we stay very aware and anchored in what's come in the past, understand what's happening now, and always be looking to the future, because ultimately the decisions we make today are going to affect the world and the communities that we're going to be living in in the future.

I'm presenting today from the perspective derived from work that we've done for a number of years and, more recently, in conjunction with a range of community groups. We support the Poverty Free KW group directly, and you heard their presentation just prior to this. We have the Kitchener-Waterloo Disabilities and Human Rights Group. We have a network of women's groups. We work with cross-cultural communities and in a number of areas in the community.

A year ago, we co-hosted a community forum with the local Fair Vote Canada group and TransitionKW—young, eager, emerging activists—at which a wide range of community advocates came together. They wanted to identify what they had in common: what drove their community action, what drove the passion for why they stayed involved in things. Four principles emerged from this: equality; the legacy for the future; compassion; and a community of voices. I offer these today as base values to build Ontario and to guide the setting of the 2014 budget.

We ask that all political parties in Ontario join the community of voices for equality and fairness, provide a legacy for the future, and have compassion for our fellow community members, particularly those who are most disadvantaged.

In our works, we support Poverty Free KW and we participate in Poverty Free Waterloo Region and Poverty Free Ontario. We share with many groups active in Waterloo region and in more than 20 other communities across Ontario the imperative to eliminate deep poverty and to end working poverty in our province. We think this is core to all of the elements that are important to what the province of Ontario has in its portfolio of responsibility and in its budgets that set policy and direction for spending our share of tax dollars.

We affirm the following as important: to target the increase of financial assistance rates in Ontario to 80% of the low-income measure and that these rates be indexed to inflation in subsequent years. We want rollbacks in the cuts to benefit programs that have happened to this point: to increase the cap for discretionary benefits to at least \$15; to provide transitional support to be sure the community homelessness prevention initiative is working well to meet the real need in our community and not to try to do more with less money, because we need more investment for certain supports in addition to investment in affordable housing and supportive housing; to ensure that special diet, health and medical expense allowances are adequate and available to people when they need them.

We also want to see that no steps are taken toward integrating Ontario Works and the Ontario Disability Support Program into a single system without adequate remedies that acknowledge and address the limits to employability for those eligible for ODSP; and that income support programs not be defined in terms of employment. Not everyone can be competitive in our current employment market, and no amount of training will change the systemic issues in that environment.

I know it's not a direct budget issue but it is related: Increase minimum wage to 10% above the low-income measure and index to inflation so that when you are working full-time, full-year, you are not living in dire economic circumstances.

It is a fact that Ontario Works and ODSP benefit levels are way below the level of deep poverty in Ontario. Income redistribution programs reduce poverty levels. This is demonstrated time and time again. Our tax investment to increase income security is fair and appropriate and the only way to create prosperity in Ontario. I think we don't realize that if we have any amongst us who are not doing well, collectively we cannot pretend to be doing well. Please don't buy into the myths that somehow those in this situation prefer to be poor or are able to work but are just too lazy to do so. These attitudes are wrong. Don't assume that everyone can be competitive in the marketplace. Those of us with advanced university degrees and years of experience will struggle in the current marketplace. There are real limits that people face, with few environments able to support their contribution in a competitive market sense if you have any challenges or barriers.

We need to understand that income supports are essential to prosperity. Please don't leave municipalities holding the bag through property taxes. That is the most regressive, non-constructive way for us to support things like discretionary benefits or the transition in housing support program. We have that happening now in Waterloo region. The regional municipality has stepped up and been very progressive in their thinking, but there is only so much that they can continue to do in that way.

Income distribution through income tax is appropriate. Let's take the tax revenues and invest them in the appropriate way. Let's set parameters for good jobs and work environments. As listed above, minimum wage should allow you to stay out of poverty.

In addition to the above, I urge that all parties call for an objective analysis of what is really happening behind the significant increase in ODSP. That's one of the reasons why we've been looking at redesigning the system. What factors are there? In any proposed solutions that put further pressure on people to function in a dysfunctional economic environment, we've got to know that the results are going to be more, not fewer, people unable to work because of health.

Please commit to an adequate and honest assessment of the extent to which government-sponsored programs provide direct and indirect subsidization to employers that provide low-paying or minimum-wage jobs, particularly in the areas of training and other employee supports such as health benefits. It's not fair or appropriate for for-profit organizations to rely on government programs to provide supports to their employees and then to abandon them, more or less, when they need extra help. You can't have it both ways. Employment supports need to be there and need to be fair.

1050

I also want you to look closely at the rising cost of health care and address two key issues: first, to investi-

gate the role played by ancillary industries, such as drugs and insurance, in increased health care costs. These industries provide high-cost products that create unequal access when people can't access or afford insurance coverage. Ontario's health care system is subsidizing these industries and those companies that do not pay for health care costs of their employees. Second, please invest in creating healthy environments and measures that prevent illness: clean water, clean air, public spaces and recreation opportunities.

The social and physical infrastructures of our province are complementary and together form the very foundation of our communities. It's imperative to have adequate, safe and well-functioning public facilities, transportation, water and sewage systems, as well as a diverse range of softer services—I don't like that term, actually—to enable the full range of day-to-day activity of individuals, their families and support people at all life stages. These services should not be provided by, coordinated or in any way accountable to the formal health care delivery system. It's much more expensive to do that. To create local solutions, we need to allow communities from the bottom up to create creative solutions that respond to needs and build capacity and resilience. It's not a top-down "do the service," because we can't afford to maintain that.

Local communities need help to sustain their physical infrastructure and public spaces. Local communities—I'm going to jump ahead—are the source of innovation, and funds should be available for social initiatives in open and fair funding programs that are available to smaller community organizations. Balance standards and common goals against flexibility to implement programs in our local communities so that we can reduce the administration and accountability reporting loads that burden community partners when they do get funding from government sources.

Generally, I want us to—I apologize; I didn't print out my entire presentation.

*Interjection.*

**Ms. Trudy Beaulne:** I have another one here.

We need to look at government budget deficits as the difference between the revenue we have and what is needed to provide the supports and services to everyone in Ontario. This is the gap we need to fill. If we're cutting costs, then cut what is not necessary to meet the needs of people or to meet our shared public contract. If needs are to be met through revenue generation, then do so with fair tax rules that do not benefit some at a cost to those who are less able to bear the burden. Reinstate previous corporate tax rates. Add a 1% income tax rate for all and 2% for higher-income earners. Spread the burden of providing the important infrastructure and supports to people in the province.

It's important that the provincial budget reflect what is important for people in a coherent and integrated way. A piecemeal approach that offers small gains for various groups will not reflect a rational perspective of what is necessary and appropriate for the investment of our shared tax dollars.

**The Chair (Mr. Kevin Daniel Flynn):** That's great, Trudy. Thank you. We've got about three minutes. Catherine?

**Ms. Catherine Fife:** Thank you very much, Trudy. You've touched on a lot in your presentation, which is what we would expect from your association. But in the context of poverty reduction in the province of Ontario, the progress that was hoped to have been made has not materialized. On your last page, you actually ask us to not fund initiatives in the name of poverty reduction that do not add direct financial benefits, and then you reference 211 as an example. Can you expand on that a little bit about programs that don't work and perhaps talk about 211?

**Ms. Trudy Beaulne:** Well, 211 was specifically named in the poverty reduction plan back in 2008, and there was funding that was directed right there. I want to be really clear: I'm not suggesting it's inappropriate for the province to fund the 211 service. I'm just saying that in the context of eliminating poverty, that is not an appropriate, effective direct expenditure. It should be funded through infrastructure, public services or some other way. We can't just add up all the dollars that are being spent on poverty-labelled things, and think that we're succeeding. Ultimately, the measure of how we're succeeding in eliminating poverty is reflected in what the framework is that the Poverty Free KW group has developed.

Information services which we provide in the local community—we participate in the 211 service—will be supported. It is nowhere near making direct material supports to people that bring them out of poverty, or help eliminate the real impact of what they need today so that they can have a roof over their head and food on their table and be able to take care of their needs and the needs of their family members.

**Ms. Catherine Fife:** Okay. And just quickly, one other example on page 2—it's a similar theme, though. You say, "Please commit to an adequate and honest assessment of the extent to which government-sponsored programs provide direct and indirect subsidization to employers...." Do you have an example of this?

**Ms. Trudy Beaulne:** I think an example would be closer to where the health care benefits are for short-term contract workers who don't—there are no benefits, or benefits they can't afford. If they run into problems, they must rely on the government-supported systems to be able to have their needs met. Those of us who are privileged to have good benefits packages will be able to have our drugs, dental and other things provided through our own cost-sharing insurance frameworks and processes.

**Ms. Catherine Fife:** Okay. Thank you very much.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Trudy. Thank you very much for coming today.

#### GREATER KITCHENER WATERLOO CHAMBER OF COMMERCE

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation this morning is from the Greater Kitchener

Waterloo Chamber of Commerce. Art, if you'd like to come forward and make yourself comfortable. You've been here all morning; you've heard the rules.

**Mr. Art Sinclair:** I'm pretty familiar with them.

**The Chair (Mr. Kevin Daniel Flynn):** So I'll just turn the floor over to you. The questioning this time will come from the government.

**Mr. Art Sinclair:** Thank you very much, Chair Flynn and members of the committee, for selecting our community for one of your hearings this year. I notice that the weather is quite a bit better today than it was a week ago. I don't know if there's any direct relationship to you being here and improved weather, but nonetheless we're quite pleased with the weather today and, again, we're quite pleased to have your presence here, to hear from our community on our concerns going forward for the 2014 budget.

I have prepared a brief that outlines some of our priorities going forward. We're a chamber of commerce. Probably most of you are familiar with chambers of commerce and boards of trade. Traditionally, we are business organizations, but we are the second-largest in Ontario after the Toronto Region Board of Trade, and we tend to look at ourselves as being a group of employers. The universities and the municipalities are all quite active in our organization, so we look at ourselves as being an organization of local employers that advance economic concerns and priorities for the economic well-being of our community.

A couple of our priorities for this year: Our first area that we've identified is manufacturing. As most of you are probably aware, Kitchener and Waterloo region have a very long history in the manufacturing sector. We're recognized both nationally and provincially—and now internationally—for our background, our skills and our expertise in this particular sector. It goes back about 100 years.

Almost anything that's been made in Canada was at one time made in Kitchener—furniture, clothing, auto parts, food—so, again, we have a long history. With all the changes that have occurred in the manufacturing sector over the last 10 years—probably the last five years, since the collapse of Lehman Brothers, the global recession starting in 2008 and the bankruptcies of GM and Chrysler—we have been very active in the manufacturing sector in advancing issues of importance to our local manufacturers.

We're continuing that today. Our priority, of course, as you are all aware—we've had some significant changes in one particular area of the manufacturing sector, and that is, of course, food processing. I think everybody around the table is aware of the unfortunate circumstances in Leamington and London over the last two months with the closure of Heinz and the closure of Kellogg's.

I think it's interesting to note that, in fact, we went through the same thing here in Waterloo region about two years ago. In October 2011, Maple Leaf Foods announced the closure of the J.M. Schneider facility on

Courtland Avenue here in Kitchener. It probably didn't generate the attention of Heinz and Kellogg's on a national and provincial level because, of course, what happened was that it was a matter of, for the most part, relocating those jobs away from Kitchener into Hamilton. It wasn't a closure eliminating jobs or moving them to the American states; it was a matter of moving them down the road to Hamilton.

1100

So, of course, from our perspective here in Waterloo region, it was a pretty big decision that had a very negative impact on the community because it's lost jobs for our community. Some people from J.M. Schneider will probably take jobs at the new facility in Hamilton, but from our perspective, losing that plant on Courtland Avenue has a pretty significant impact on the revenues coming into our municipalities. Large companies employ thousands of people, as we all know, and pay a lot of municipal taxes, and that's a loss to our tax base.

I think the key thing here is that we were mad, and after a couple of months of being mad, we sat down—the municipalities, the business community and all of our stakeholders—and said, "What do we need to do to ensure this thing doesn't happen again?" The result, and I've documented it in the brief—we have two-tiered government here in Waterloo region. We have the region of Waterloo, the upper tier, and then seven local municipalities, three cities and four townships. The eight municipalities, the senior staff, the regional chair and the mayors all got together and said, "What are we going to do to ensure this doesn't happen again?" The result was that we secured consultant Malone Given Parsons. Lee Parsons is quite well known as a municipal consultant across Ontario. Lee did a review of economic development services across Waterloo region. He was quite up front and frank and said, "Look, this is what you have to do to make sure that you're in a good position going forward to attract new businesses." The result is a new office of economic development for the region of Waterloo, which is going to take a coordinated approach to economic development for the region of Waterloo and our seven area municipalities. I think that was one of the problems with Schneider: Schneider came here—or Maple Leaf—and when they were look at establishing a new facility across Ontario, they were targeting the city of Kitchener or targeting Cambridge or targeting a lot of townships and targeting the region of Waterloo and getting all different messages. So we're going to have one office for anybody who wants to come here who's looking at business, and they'll get a coordinated message.

Where this translates in the province—I've provided a few recommendations here. One of them was from the committee on jobs and prosperity, chaired by Gord Nixon, from Royal Bank, with Kevin Lynch. I have the report of the Jobs and Prosperity Council, 2012, right here: Advantage Ontario. They had a very similar approach. They were stressing the need in the provincial government for a more coordinated approach to economic development. I think Don Drummond looked at a

similar approach in his report as well. He said we need a coordinated economic development or economic attraction strategy for the province of Ontario. We recognized we need one for Waterloo region; I think it's key that the province of Ontario needs one as well. We would very strongly support the recommendations of Mr. Nixon's task force and move ahead with a similar process.

We've also included a recommendation we made to this committee, I believe, for the first time in 2010 and subsequently again in 2011. A number of years ago, a senior member of the local manufacturing sector who was on our board of directors proposed the idea of an Ontario ministry of manufacturing. His point was that we have a Ministry of Agriculture for farmers, we have a Ministry of Northern Development and Mines for the mine industry, and we have a Ministry of Tourism. Manufacturing is the largest sector in Ontario; why don't we have a ministry? This is an idea that we've proposed on a number of occasions. We thought that given all the changes that have occurred in the manufacturing sector over the last four years, and particularly now with the concern on the food processing side, maybe this is something that deserves consideration again.

Secondly—and I think this is key for the food processing sector, as a community—we've made some significant investments in the industry. Mr. Harris and Ms. Fife are probably aware that Dr. Tibbits and Conestoga College have established the Craig Richardson food processing institute. I think it's the first school in Canada that's devoted specifically to training people to work in the food processing industry. That's everything literally from serving food right up to scientists seeking positions that would be responsible for ensuring the products that come through the process are not contaminated, which cuts the risk of food-borne illnesses.

As well, a former senior executive from the food processing industry, Ted McKechnie, approached Waterloo city council a number of years ago about essentially taking our expertise here in Waterloo region in technology and applying that to the food industry. I think we've all heard, with Heinz and Kellogg's, concerns about the state of technology in the province of Ontario. What Mr. McKechnie, who has a background in food processing, has said is, "Yes, there are gaps. We have to work on that."

We have a program now called Canada's Technology for Food, which is combining our expertise at the University of Waterloo, the University of Guelph, Conestoga College, the private sector and educational institutions and putting together world-class food processing technology that will address our concerns here in Ontario. Ultimately, we'll be in a position where we can export that technology to the global market. That will be another value added as well. So we're quite excited about that, but, again, I think the key thing is, in order to advance our agenda in the provincial food processing technology sector, we have to have a very viable food-processing industry. So that's our concern there.

A couple of things apart from economic development—retirement income—I think we're all familiar with the

debate at the national and provincial levels with the sustainability of the pension system. We were quite pleased with Mr. Sousa's announcement in the budget last spring about looking seriously at a framework for pooled registered pension plans. We, as a chamber, and the Ontario Chamber of Commerce and the Canadian Chamber of Commerce have all been quite supportive of pooled registered pension plans.

I have included one additional mention to this debate that I think we'd like the government to consider as well. As you may be aware, Sun Life and Manulife both have their Canadian headquarters here in Waterloo region, so depending on the participation level of the provinces—and, I guess, the private sector, the number of companies that actually participate in this program—we're looking at a significant number of new jobs created in the financial services sector here in Waterloo region at Sun Life and Manulife managing these funds. These would be jobs from administrative support right up to senior analyst positions who would be analyzing investments and managing considerable funds of money.

So, yes, we'd like the government to consider that component as well. In fact, for our community, the pooled registered pension plan provides some significant new job opportunities. I haven't seen any exact numbers or estimates yet from Sun Life or Manulife, but I would expect they'll be formulating those shortly. So that's something we'd like the government to consider as well.

A couple of municipal—

*Interjection.*

**Mr. Art Sinclair:** Five minutes? Yes. A couple of municipal issues that we've brought to the committee's attention as well: One is the issue that Ms. George mentioned with respect to municipal tendering. We, essentially, agree with Ms. George's position; we would like to see this being considered as well. Of course, the issue there is that the region of Waterloo has made an appeal to the Ontario Labour Relations Board regarding the certification by the Carpenters' Union, so I guess we're kind of in a hold pattern until that decision from the OLRB comes down.

The other issue on the municipal side is interest arbitration. I know that the region of Waterloo and the city of Kitchener will be appearing this afternoon. You'll probably be hearing this from a lot of other municipalities as you drive across the province, but certainly I think there's a concern with the business communities as well. Our chamber and the Ontario Chamber of Commerce have all been quite active on this portfolio with respect to the potential impact of contracts and firefighters on the abilities of municipalities across the province to absorb those costs and be able to pay those costs. So certainly that's an ongoing issue as well.

I think those are probably the highlights, so I'm pleased to take any questions.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much, Art. Questions coming from the government: Donna?

**Mrs. Donna H. Cansfield:** Thank you. I have a question. I have a couple of questions, but I think I'll get

the chance for one. You spoke about a ministry of manufacturing, and, of course, that means creating another bureaucracy. Have you ever considered what they do in some of the other countries that I'm familiar with, where they put in—they call them scientific hubs. For example, you take your food-processing industry, and the region of Kitchener-Waterloo sets aside acres of land. Then they facilitate the industry from around the world coming into that hub to do research, product packaging, all sorts of different kinds of individuals. They're very successful in the far east. They bring in large companies from around the world and develop these scientific hubs specific to—it might be the tech industry; it might be medicine; it might be, in this case, the food industry.

I'm always leery about an additional level of bureaucracy. First of all, governments move slowly, and this is something it appears you want to act on. The one thing that I found that really effectively made it work was the willingness of the municipality or the region it was located in to facilitate making it work.

**Mr. Art Sinclair:** Sure. Yes. Well, again, that's why I referenced it, in fact. We realized we had a problem here in Waterloo region when Schneiders left, so that is why we went towards developing an office of economic development, which we don't have, that would perform that coordinating function. We've heard that concern as well: "You're creating another level of bureaucracy." But I think you have to look from the perspective of—and Don Drummond looked at this. He referenced the possibility of creating a super-ministry of economic development within the government of Ontario that would be one window for economic development. That may sound good in theory, but if you took that to the full extent, that might mean eliminating the Ministry of Northern Development and Mines. It may mean eliminating the Ministry of Agriculture. Politically, I don't think you could do that. So we're just saying, "Okay, you're going to have the Ministry of Agriculture, you're going to have the Ministry of Mines; we should have a ministry of manufacturing working within this coordinated framework of an economic development strategy for the province of Ontario."

1110

Tourism has their own ministry. This is what we've always said. Manufacturing is still—now, again, because of the downsizing and because of everything's that happened with the Big Three, it's not as big as it was 10 years ago, but it's still a pretty significant component of the Ontario economy. Why shouldn't they have a person at the cabinet table? This is the other thing that we're thinking of. The ministry should have a person at the cabinet table that's an advocate for the sector the same way that the Minister of Tourism is an advocate for the tourism sector, the same way that the Minister of Agriculture is an advocate for rural Ontario and the Minister of Northern Development and Mines is an advocate for the north and the mining industry. That was our key thing.

Sure, in terms of investment attraction, yes, that would be a considerable component of it. There's investment attraction, there's talent. All these other issues that I think

are key to the manufacturing industry need to be addressed.

**Mrs. Donna H. Cansfield:** Thank you very much.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much for coming, Art.

**Mr. Art Sinclair:** Thank you.

### SOCIAL PLANNING COUNCIL OF CAMBRIDGE AND NORTH DUMFRIES

**The Chair (Mr. Kevin Daniel Flynn):** Our next presenter this morning is from the Social Planning Council of Cambridge and North Dumfries, Lyndsey Butcher. Lyndsey, if you'd like to come forward. Make yourself comfortable. You've got 15 minutes, like everybody else. Try to leave some time at the end for questions. The questions this time will come from the Conservative Party.

**Ms. Lyndsey Butcher:** Good morning, everyone. My name is Lyndsey Butcher. I'm a social planner at the Social Planning Council of Cambridge and North Dumfries. We're a community-based, non-profit organization that's committed to building and strengthening our community through participatory-action research, facilitating multi-sector collaborations, fostering innovation and promoting social change.

I would like to start off my comments this morning by urging the members of the finance committee to move beyond this failed experiment with austerity and begin making smart investments in our province. A growing economy requires a government that is willing to invest in its most valuable resources: its people.

During this submission, I'll be addressing three issues: the minimum wage, a universal prescription drug and dental plan, and a refundable tax credit. I would also like to lend our support for the next submission by the housing and homelessness umbrella group, ISARC, who are presenting on shared concerns.

First, the issue of the frozen minimum wage. We feel that the minimum wage can be a key tool in addressing poverty in Ontario, as an increasing number of working families are falling below the poverty line. Minimum wage work is no longer relegated to teenagers and part-time jobs. Close to a third of all minimum wage earners in our province are over the age of 35. In Ontario, minimum wage workers account for almost one in 10 employees, more than double the share 10 years ago. In Ontario, minimum wage workers are living close to 25% below Statistics Canada's low-income measure.

Despite working full-time, year-round, minimum wage workers and their families have to struggle with monthly cycles of hunger and hardship. They have not seen a raise in more than three years, and coupled with the increases in the cost of living, minimum wage workers have seen the real value of their earnings decrease by almost 7%. This has resulted in increasing numbers of working people accessing emergency social services like the food bank, community housing and homeless shelters.

We are asking the province to take into consideration the value of having minimum wage earners and their families living above the poverty line. Provincial health and social spending are strongly linked to the prosperity and self-sufficiency of Ontario workers and their families. Income is the number one determinant of health, and the cost of poverty to our publicly funded health care system is considerable.

Four in 10 children living in poverty in Ontario have at least one parent who works full-time, often struggling in minimum wage jobs. By increasing those parents' working income to above the poverty line, their children stand a much greater chance of completing high school, furthering their education and making a positive contribution to our province.

We know that consumer spending is the engine that powers our local economy. Household spending drives 54% of our gross domestic product. Low-wage earners and their families often reinvest their entire paycheque into the local economy, on their rent, groceries and other household necessities.

Even the Ontario Chamber of Commerce acknowledges the important contribution minimum wage earners make to the provincial economy, and have called for cost-of-living increases to the minimum wage to protect the purchasing power of workers.

Recent history in Ontario demonstrates that increasing minimum wage does not result in job losses. In fact, the last time the minimum wage was raised in Ontario, we gained 150,000 jobs in the sales and service sector. Raising the minimum wage allows workers and their families to become self-sufficient and contribute to Ontario's economic growth. We urge the provincial government to introduce an accelerated schedule to increase the minimum wage to above the low-income measure, followed by annual adjustments tied to the consumer price index.

All levels of government feel their budgets are constrained, and increasing the minimum wage above the poverty line would reduce working poverty and strengthen our economy without increasing government spending.

The second initiative that I would like to propose is a provincial prescription drug and dental plan for all uninsured residents. Such a plan is currently being phased in in New Brunswick and offers a solid model for implementation. Most low-income workers in Ontario do not have access to an employer-provided benefits plan, and many working families have to choose between picking up a prescription and putting food on the table. The New Brunswick model offers a number of enhancements and efficiencies that make it both affordable and sustainable in the long run. I strongly encourage our provincial government to explore this model as a possibility for Ontario.

Lastly, I would like to propose that the personal exemption, non-refundable tax credit be converted into a refundable tax credit. The basic personal exemption provides a benefit to all those with market income, with a full benefit to those with incomes above the threshold, partial benefits to individuals with market income below

the threshold but above zero, and absolutely no benefit to individuals without market income.

Converting the basic personal exemption to a refundable credit will deliver this benefit to all individuals, regardless of market income. Though the benefit is modest, it would nonetheless represent a significant increase in income for the poorest households. We know, through our experience with other refundable tax credits such as the Ontario Child Benefit, that they have the potential to make a significant impact on poverty levels in our province. This move may also pressure the federal government to follow suit, in which case the impact on low-income Ontarians would be considerable.

In closing, I would like to ask each of you to remember why you have chosen to serve in elected office. I know that for many of you it was to make a difference in the lives of your neighbours, for your community and for our province. This is your opportunity to do just that. Thank you for your time. I wish you well in your further consultations.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Lyndsey. You've left adequate time for questions. I'm going to Monte.

**Mr. Monte McNaughton:** Great. Thank you very much, Lyndsey. I wondered if you could expand a bit more—you talked about affordability issues with people in your community and across the province. I know that as MPPs we hear a lot about electricity prices going up, eco taxes, and just the cost of living in Ontario. You're emphasizing a raise in the minimum wage, but I wondered if you could expand a bit more on how government could make life more affordable for people.

**Ms. Lyndsey Butcher:** Obviously the cost of living increases every year, and certain areas are impacted more than others. Certainly housing is a huge issue in our community, and the affordability of housing. The region of Waterloo recently put out what the basic wages would be required to afford housing in our community, and they range anywhere from \$13 an hour to \$17 an hour just to afford average market rents in this community. Meanwhile, the minimum wage has been frozen at \$10.25, so they can't even afford a bachelor apartment here, which is unreal. So I think certainly affordable housing issues are a huge issue. There are also issues with food security in our community. Due to cuts in discretionary benefits, there are concerns over whether or not we can provide food security programs in our community. There are other issues as well, but I think the key is that we want a province where people who work full-time, year-round, can be self-sufficient and no longer need to require subsidies or emergency social services. People who work year-round shouldn't have to live in poverty.

**Mr. Monte McNaughton:** We've all heard, of course, that the province is looking at increasing gas taxes by 10 cents per litre. What impact is that going to have on the folks that you're representing and advocating on behalf of?

**Ms. Lyndsey Butcher:** I think the cost of transportation impacts probably everything that we have to buy or purchase, so it would have an impact. I wouldn't say that

it's the leading concern that we hear from people we work with. Even owning a vehicle—when you're making minimum wage, it's not even attainable. Even bus passes in our community are hard to come by. So I think it's an issue, but I wouldn't say it's a top-of-mind concern for people in our community who are struggling every day.

1120

**Mr. Monte McNaughton:** On the minimum wage issue, we have, of course, heard from government union bosses like Smokey Thomas, and we've heard from union leaders like Sid Ryan, talking about how the minimum wage should be raised to \$14 per hour. Obviously, at \$14 an hour, it's going to have a negative impact, I would think, on small businesses in our communities. What dollar amount are you advocating for, when it comes to minimum wage?

**Ms. Lyndsey Butcher:** I would respectfully disagree with that point. We know, in our province, that most minimum wage workers are working in businesses with 100-plus employees. We're talking about major corporations that are quite profitable. We also know that we did experience a significant minimum wage increase in the last cycle of increases and we did not see that impact for local businesses. So I think that's sort of a myth that's out there.

Fourteen dollars an hour is the number that most people are talking about. For us, it's the concept that people who work full-time, year-round, are living above the low-income measure, and when you calculate that out, that's around \$14 an hour.

**Mr. Monte McNaughton:** So that's the number that you're advocating for?

**Ms. Lyndsey Butcher:** Yes. What we propose is that the government would introduce an accelerated schedule of increases, like they have done in the past, to bring us up to that number. We're not asking for a jump in one year. We're asking for a schedule that would bring us to that level, and then we would just adjust it annually so that businesses can prepare and have the wherewithal to understand when the minimum wages increases are going to be happening so they can predict in their own budgets.

The way that minimum wage increases have happened in the past has been quite irresponsible, I think, and has not been predictable, both for businesses and for workers.

**Mr. Monte McNaughton:** I have no further questions. Thank you very much.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much for coming today.

**Ms. Lyndsey Butcher:** Thank you.

INTERFAITH SOCIAL ASSISTANCE  
REFORM COALITION  
HOMELESSNESS AND HOUSING  
UMBRELLA GROUP

**The Chair (Mr. Kevin Daniel Flynn):** Our next presenters are from the Interfaith Social Assistance Reform Coalition, the Homelessness and Housing

Umbrella Group. If you'd like to come forward, Greg and Lynn and somebody else.

**Rev. Michael Hackbusch:** Michael Hackbusch.

**The Chair (Mr. Kevin Daniel Flynn):** Okay. Thank you for coming. You have 15 minutes, and you can use that any way you see fit. If you'd like to save a little bit of time at the end, that would be great.

**Mr. Greg deGroot-Maggetti:** We'll try to do that.

**The Chair (Mr. Kevin Daniel Flynn):** The questioning will come this time from the NDP. I'll let you know when there's about five minutes left. It's all yours.

**Mr. Greg deGroot-Maggetti:** Okay. Thank you for the invitation to give input to your pre-budget hearings.

I'm here this morning with my colleagues Lynn Macaulay from the Homelessness and Housing Umbrella Group and Rev. Michael Hackbusch, who is the chaplaincy director of House of Friendship.

My name is Greg deGroot-Maggetti. I work as the poverty programs coordinator for Mennonite Central Committee Ontario.

MCC runs several programs in Waterloo region and in Toronto, working with people living in poverty and who have experienced persistent homelessness. We also run programs in communities across Ontario, supporting refugees and newcomers, working with aboriginal communities and promoting restorative justice.

Through our work, we strive to create inclusive communities and help people have sustainable livelihoods, to live in dignity.

It's because of the work we do with people who experience poverty and homelessness and marginalization that MCC Ontario is an active member of coalitions such as the Interfaith Social Assistance Reform Coalition, the 25 in 5 Network for Poverty Reduction, and Poverty Free Waterloo Region.

Let me begin by thanking each of you for the commitment that your parties made when you voted unanimously to support the Poverty Reduction Act in 2009. That kind of all-party support within the Legislature tells Ontarians that the work of creating a province where everyone can live free of poverty is a common endeavour. It crosses partisan political lines. That commitment has given impetus to many local initiatives to work toward eradicating poverty.

We eagerly await the release of the second provincial Poverty Reduction Strategy, and we're looking for it to build momentum on the gains of the first strategy, which focused on children and families. The new strategy should aim to reduce poverty for everyone—adults as well as children.

A successful poverty reduction strategy needs to take action to help people have sustainable livelihoods, income security and to live in strong and supportive communities. Sustainable livelihoods require good jobs that pay a decent wage, as you've just heard in the previous presentation. Provincial policy has a role to play. The minimum wage should be high enough that an individual working full-time, full-year has enough money to at least reach the poverty line. As the previous

presenter said, today the minimum wage would need to be \$14 an hour to do that.

Second, enforcement of labour standards is necessary to make sure every person's rights at work are respected. We're glad that the first Poverty Reduction Strategy included resources to hire more employment standards officers, and we encourage the government to maintain those investments.

But not everyone can work or have enough hours to earn a sustainable livelihood. That's why we need public income security programs to help people have at least enough money so that they're not living in deep poverty. Ontario's Poverty Reduction Strategy includes an indicator of deep poverty, and that's incomes that fall below 40% of median income. In 2013, the deep poverty line for an individual in Ontario was a little over \$16,000 a year. Ontario Works provides income just above \$8,000 a year for a single adult. That's less than half of the deep poverty line. That's why we support the call for an immediate increase in incomes for adults receiving social assistance. We also call on the provincial government to make greater use of refundable tax credits for adults with low income. For instance, as you heard in the previous presentation, we could convert the basic personal exemption into a refundable tax credit and increase other refundable tax credits, like the sales tax credit.

Strong, healthy, inclusive communities also require investments in community services, things such as affordable housing and services to prevent and reduce homelessness, early learning and child care, and affordable public transit. The second Poverty Reduction Strategy also needs to include a plan to provide dental care and pharma care for adults as well as children. That plan needs to include an investment strategy for those services.

I want to turn it over to Lynn now to talk in a little more detail about the needs around housing and affordability.

**Ms. Lynn Macaulay:** Good morning, Mr. Chair and members of the committee. My name is Lynn Macaulay and I'm the staff person with the Homelessness and Housing Umbrella Group, locally known as the HHUG. The HHUG is a Waterloo-based network of service providers and people who are concerned about homelessness and affordable housing.

Investment in ending homelessness is not only good people policy, it's good economic policy. A recent report suggests that a conservative estimate of the annual costs of homelessness in Canada was somewhere between \$4.5 billion and \$6 billion annually. We know that homeless people are admitted to hospitals up to five times more often than the general population and stay in hospital longer than other low-income patients. A report by the region of Waterloo determined that homelessness costs up to 10 times more than having people housed, even with the highest levels of support.

In order to assist in ending homelessness, I would suggest today three strategic investments. The first is to continue the transitional funding of the Community Homelessness Prevention Initiative, known as the CHPI

program. Effective January 1, 2013, the Ministry of Municipal Affairs and Housing consolidated funding from a number of programs and gave envelope funding to municipalities, including the region of Waterloo. There are a number of benefits to this structure, including the increased ability to respond to local needs. The new funding structure also created a number of new opportunities with significantly less prescribed program guidelines.

Last year, the Ministry of Community and Social Services provided one-time transitional funding—\$42 million—with Waterloo region receiving \$1.5 million. The challenge is that the changes being made are very significant, and the reality is that it's taking more than one year to redesign the systems to be more effective. Another year of transitional funding would really be helpful in order to complete the work that is being done, to improve the systems from both a user perspective and an administrative perspective. For example, between 2008 and 2012, locally we had a 229% increase in the number of families using shelters.

#### 1130

In October 2013, a pilot project based on promising practices from the United States was implemented locally. The goal of this project is to divert families from shelters and, when a shelter stay is absolutely necessary, to make it as short as possible using rapid rehousing techniques. This program has had amazing success, and we are happy to report that the Cambridge shelter now has no families in residence and hasn't for the past couple of months. At the moment, there are two systems in place. This redundancy will be dealt with, but for a period of time there are extra costs. An additional year of transitional funding would be of great assistance to help us move to a more efficient and effective system.

Waterloo regional council wrote to the province about this issue in the fall, and, in addition, several groups from across the province submitted a letter with a similar request in early December.

The second issue I would like to raise is that of increasing the cap on discretionary benefits, which you've heard from a few other presenters today. As you know, under the Ontario Works Act, the region of Waterloo can provide discretionary benefits to Ontario Works and ODSP recipients. These benefits are cost-shared with the province. Effective in 2013, the province moved from an uncapped program to a capped program of \$10 per case. At the same time, the community start-up benefit was cut and 50% of this funding was added to the CHPI budget. But locally, this resulted in a \$5.5-million shortfall.

Although there had been regular cost-of-living increases to the Ontario Works rates, it's clear that particularly for single adults the OW rates are not high enough to pay for basic subsistence. As a result, other pockets of money, including discretionary benefits, are needed to meet basic health and life requirements such as maintaining housing through eviction prevention dollars, food hampers, and ultimately paying funeral and burial costs. In addition, discretionary benefits not only provide

money for items which allow recipients to live life with increased dignity but they also help to increase employability. Items such as eyeglasses, hearing aids, mobility aids, orthotics and dentures are all essential in order to assist people in transitioning from Ontario Works to employment.

While municipalities can decide how to allocate these resources, they can only allocate the resources they have. At the moment, there is no mechanism for an inflationary increase, so in reality status quo funding is in fact a decrease. As a result, we are requesting that the province increase the discretionary cap to \$15 per case. It's helpful to recall that in 2010-11 the average discretionary spending among comparable municipalities was nearly \$16.

My final strategic investment request is that the province allocate money and sign on to the Investment in Affordable Housing for Ontario Program immediately so that planning can begin locally. The federal government announced the extension of this program, which is set to begin in April 2014, but this bilateral program requires the agreement of each of the provinces. The funding is essential in order to expand affordable housing stock.

As several studies have shown, investment in affordable housing by all orders of government really primes the pump. Over the construction period, the province fully recoups their investment in payroll and sales tax. In short, over time these important community assets fully repay the public investment used to create them.

In conclusion, I urge you to use this budgeting process as an opportunity to showcase your values. You have the opportunity to say that all Ontarians matter and that everyone deserves a decent place to call home. With your help, we can end homelessness and create a province where individuals live with dignity in a healthy economic climate. These goals are not mutually exclusive. We pay in economic terms for homelessness every day. The better strategy, I would suggest, is to invest in housing stability and long-term solutions.

Now, Reverend Hackbusch.

**Rev. Michael Hackbusch:** Thank you, Lynn.

**The Chair (Mr. Kevin Daniel Flynn):** You've got about three minutes.

**Rev. Michael Hackbusch:** I see that by the clock.

My colleagues have made wonderfully detailed points, and that's their purview. Mine is a slightly different one. I'm a theologian and a chaplain. I'm not an economist. I do a little bit of work in the community with the population served by my colleagues here. My hope is to inspire you further into this kind of a process, a process whereby you get public input, where you get a sense of where the community is at in its broad divergency and garner from that a vision of where to go.

Budgets are a lot more than just numbers on the sides of ins and outs on a column sheet; budgets are a numerical value that seeks to articulate a vision toward our common good, and that's what I hope to inspire you and to encourage you to consider within this.

I'm thrilled that all three elected parties are here. I'm thrilled that we have representation across the board of

the known political pieces, but I'm a little dismayed, too, that we don't have a little bit more input from other parties that exist, specifically, really, the Green Party.

I bring this information forward from the coalition with which I have spent some time, ISARC. That's the Interfaith Social Assistance Reform Coalition, where twice annually we hold a religious leaders' forum at Queen's Park. On one occasion, when specifically discussing austerity versus revenue, we had Mike Schreiner—he's the Green Party leader, and he was in attendance at that. Speaking on austerity versus revenue, he brought two points to the table that address the common good, simple pieces: aggregate and water.

With regard to aggregate, it was suggested that the royalties collected by Ontario for gravel are a mere 11 cents per metric tonne. In other jurisdictions on the planet, the amounts are slightly different. In Great Britain, I understand that it's £2.35. In Australia, it's \$2.50. The Green Party has been suggesting just a mere 50 cents per metric tonne. By doing that, you are increasing incentives for efficient use of the gravel, but also putting some incentive behind recycling.

The second point is water. Raising the water-taking tax for industrial purposes, excluding farming and local food processing, from \$3.71 per million litres to \$10 per million litres would encourage conservation of the water resource itself—our greatest public good—and the revenues garnered could fund programs and tax credits to provide clean water or support other programs in the province.

The Drummond report made great efforts at working on one half of the ledger: what we should cut. I would suggest looking at the other half, where we could do more fair garnering of revenues:

- raising the corporate tax rate;
- raising tax on high-income earners and closing tax loopholes;
- implementing a financial transaction tax;
- introducing tax on large estates inherited by the wealthy;
- tackling tax havens;
- introducing a smart and progressive carbon tax; and
- using the tax system to help reduce or eradicate poverty and inequality.

Granted, that does fall in areas outside of the provincial purview and order of government. However, Ontario leads. We have, for over a century and a half, led the country. Take some leadership in this respect. Keep the feds at the table, or get on without them.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much for coming today. Thank you, all of you.

**WATERLOO REGIONAL  
LABOUR COUNCIL  
POVERTY FREE  
KITCHENER-WATERLOO**

**The Chair (Mr. Kevin Daniel Flynn):** Our last presenter before lunch is the Waterloo Regional Labour

Council and Poverty Free Kitchener-Waterloo. Len Carter? Len, if you'd like to come forward. I didn't mean anything by saying we can't have lunch until we hear you, but—

**Mr. Len Carter:** No, no. I felt the pressure. Believe me.

**The Chair (Mr. Kevin Daniel Flynn):** You have 15 minutes like everybody else, Len. If you'd leave some time at the end for questions, that would be great—

**Mr. Len Carter:** And lunch, right?

**The Chair (Mr. Kevin Daniel Flynn):** And lunch; that's right. Questions will be coming from the government side. It's all yours.

**Mr. Len Carter:** I'd like to thank you, first of all, for allowing me to come before you. I have a lot to say, but what I'm going to try to do is to keep it to an issue-based presentation. There are a lot of individuals who have financial needs that disallow them dignity. I want to speak on behalf of those people. The ability for them to carry themselves and their families toward reasonable levels of self-satisfaction is minimal.

Imagine if you had nothing, nothing at all. Just for a second, imagine that you have nothing. It doesn't feel too good. Then, imagine the ability to participate in a program that will allow you to improve your opportunity for work with wages, without worrying about transportation, health care, child care, rent, food bills, heat, dental, pharma care, hydro, clothing or any of the multitude of other needs one requires to merely survive in this province. It feels much better, eh?

Think about what you would feel like if the opportunity that you now had, for an apprenticeship or to volunteer as a prerequisite for getting a job, was ripped away from beneath you, and all the needs that you expressed related to costs came back to haunt you at the very same time as the apprenticeship or volunteer prospect arose. It feels horrible now, eh, when the floor is pulled out from under you like that?

1140

The Ontario government is the only body that can fix the enormous problem, and I ask you to do that in the next budget. The issue is basics for a lifestyle that you and I can recognize as normal for so many, many of our friends, families and neighbours. It's not so much about those individuals, though; what it's really about is our community, our province being poor as long as we have people living in it without sufficiency or any means of achieving their needs.

How decisions are being made about revenues and spending that involve those Ontarians should have as participants members of our society from those groups and not just persons that work in government, have jobs, have security, have self-satisfaction and all those sorts of things. I personally would not mind taxes so much if the taxes were being used for such benefits as I've described and other items that strive to give all of our neighbours, no matter what their address, basic human rights.

It's absolutely imperative that the province of Ontario actually employ persons from Ontario Works and ODSP

and give more real opportunities for people through affirmative action programs.

The third issue is obviously work and wages. I come from the labour movement. Specifically, social assistance reforms call for the hiring of peer workers for ODSP and Ontario Works. That reform position today is pretty much invisible. You don't see too many peer workers out there. In each workplace with a peer professional partnership, two consumers should be hired, not just one. One worker in a peer professional partnership can feel really quite isolated. People who work should have the ability to earn enough money at a normal, full-time job, to be able to live here in our society in Waterloo region and to do so with dignity and the ability to play a part in all manner of our community functions. That means having a minimum wage—and I really do mean this—that actually reflects the needs of working people and does not penalize them through clawbacks or other means—dollars from the working poor.

I'd like to thank you for the opportunity to speak today. As you can see from this lovely page, half the printing has disappeared on me, so you got half of a presentation.

I thank you and will answer any questions that you may have. It's much easier for me to verbalize when I answer questions than it is for me to read a paper.

**The Chair (Mr. Kevin Daniel Flynn):** Wonderful, thank you. If you would like to forward that to us in its finished form, we'll make sure that it gets out to everybody.

**Mr. Len Carter:** I have.

**The Chair (Mr. Kevin Daniel Flynn):** Perfect. Okay. Donna?

**Mrs. Donna H. Cansfield:** Thank you very much for your presentation. I was curious about the issue around—you called it peer professional partnerships. I thought maybe you could elaborate a little on that.

**Mr. Len Carter:** The way the reform works is it asks for and actually demands that peers be hired from within those groups to help counsel those that are in those groups. Right now, it's a difficult situation where one person may be hired and is left out there on their own, and they feel like the poor person who has been hired for whatever reason, without real support.

**Mrs. Donna H. Cansfield:** Then you spoke at length about the need for minimum wage and for job opportunities, employment. We've heard that from many folks. Recently, we just heard from the chamber around the issue of the loss of manufacturing jobs. But there is a connection between the skill required and the job. Part of the challenge is, how do you increase the skill set of the individuals to meet the job demand? Certainly if you look at the high-tech industry in particular, there are challenges meeting that demand. They say that all the time. How do you think your industry, the labour industry, could facilitate increasing the skill sets?

**Mr. Len Carter:** First of all, let me tell you that the labour movement in Waterloo region is very proactive in that nature. I, as a past president of the labour council,

am the labour co-chair for the Waterloo Wellington Dufferin workforce planning board. Our job is to supply information to industry and to educators that will give people the proper education and skill sets to get them employed.

There are a number of different areas where labour has made that presentation. I have, on an ongoing basis, led, as many times as possible, opportunities for people to get work. We've held forums, job fairs and all kinds of occasions for persons to get work. As far as education is concerned, we don't have a place in that. We do a lot of recommendations, but we don't have an opportunity to actually do it.

**Mrs. Donna H. Cansfield:** I guess that may be an area where I think you should have a place. I can think of many instances in other jurisdictions where labour and education have come together to develop initiatives where you can have on-the-job learning that takes you through to an apprenticeship, starting within the high school system.

If you're looking, especially in manufacturing—years ago, they used to call them articulation agreements, and they were between secondary schools and colleges and universities to help the transition, where the colleges and universities came in and then the labour came in and supported it as well. I think there are opportunities. Have you sat down again with, presumably, the—

**Mr. Len Carter:** At one point in time, I sat on 11 different committees that were connections between high schools, colleges and workplaces. It's not unusual for us to do that. We do it as often as possible. As often as possible, we're the voice of reason between the groups. Money seems to be a big issue in everybody's lives, and we try to put that aside. We try to let people know that if you invest today in Bob, then Bob's taxes for the next 30 years will more than repay you.

**Mrs. Donna H. Cansfield:** Sometimes turf gets in the way, too. It can be a bit of a challenge.

**Mr. Len Carter:** But I have to tell you that the labour movement has, as a basis of its existence now, moved away from the self-protectionism that used to be there—the old-time unionism—into a more progressive way of looking at things and trying to ensure that all people have an opportunity to do well for themselves and make our communities a much better place. We honestly believe that if every person has the opportunity, they will jump in to do as much as they can for their community, and they will make their communities a much better place.

**Mrs. Donna H. Cansfield:** In those 11 committees, what worked and what didn't work? Are you still on them?

**Mr. Len Carter:** No, I don't sit on those anymore, but that's because I'm retired. I had a heart problem and had to get out of the business.

**Mrs. Donna H. Cansfield:** Are they still going?

**Mr. Len Carter:** Many of them are. I'm not going to say "all," but—

**Mrs. Donna H. Cansfield:** Would you say that they've been successful?

**Mr. Len Carter:** Many of them have been. The home-build programs that the high schools had—have, not had—are a result of that effort, so I'm very pleased to say that, yes, there are skills upgrades that are available to people. Unfortunately, high schools don't have the equipment and don't have the classrooms for all of the skills requirements that are in our society.

Manufacturing is one area where I've found—I don't want to identify any of the employers, but in one case an employer who made a particular aspect of machining said that he wanted to take people right out of grade school and have them work at that particular trade. That's great, except that the trade would have been watered down, you know? The ability for machinists to do all of the things that they do would have been eliminated by this individual.

**Mrs. Donna H. Cansfield:** Things are complicated. I mean, that's very similar to the German situation, where they actually have a very strong emphasis on the apprenticeships and the trades at a very early age. But, like most things, it evolves with the technology that's put in place.

So I'm interested, and my other question with respect to what the labour movement is interested in doing is how they will—and it's a little bit of putting a little bit of skin in the game, as it were, because one of the challenges has been around the closed shops of unions, getting apprenticeships and journeymen, and getting those relationships built. Do you think that has changed?

**Mr. Len Carter:** Yes. The amalgamation of CEP and CAW into what is now called Unifor—that's their new name. Part of their base is, I won't say the elimination of it, because it's some of their strength, at least the watering down, if you will, of those strong skills-based ownership plans. Those old unions are called brotherhoods, and they're that way for a very specific reason: Fathers got their sons into those businesses, who got their sons into those businesses, and the rest of us were excluded.

Now, I had a unique trade. I was a television director, and we didn't have a brotherhood. A lot of different individuals, men and women, who had a quickness about them were able to step into those trades, and I'd like to see that with all trades, quite frankly.

**Mrs. Donna H. Cansfield:** I agree with you. Thank you very much for your presentation.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Len. Thank you very much for being here today.

**Mr. Len Carter:** Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Okay. We're recessed until 1 o'clock.

*The committee recessed from 1152 to 1300.*

#### CHRISTIAN LABOUR ASSOCIATION OF CANADA

**The Chair (Mr. Kevin Daniel Flynn):** Okay, we can call to order again, ladies and gentlemen.

Our first delegation of the afternoon is the Christian Labour Association of Ontario. If you'd like to come

forward, Ian and Andrew; make yourselves comfortable. You have 15 minutes. Use that any way you see fit. Most groups have been leaving about five minutes or so for questions at the end. I'll let you know when we hit the five-minute mark. The questions this time will be coming from the Conservatives, I believe.

**Mr. Andrew Regnerus:** Good afternoon. It is the Christian Labour Association of Canada. We are national, but we do have a big presence in Ontario. My name is Andrew Regnerus. I'm our provincial construction coordinator. I'm also on our national executive committee.

CLAC is an independent Canadian labour union that takes a unique, values-based approach to worker advocacy. We establish meaningful relationships and balanced partnerships in the workplace. CLAC was founded more than 60 years ago, largely by construction workers that saw value in unionization but were dissatisfied with their options. Today, CLAC represents over 60,000 workers nationally and has been certified by labour boards more than 2,000 times. We represent workers in a wide variety of sectors, including construction, health care, mining, transportation, service and retail.

The focus of our presentation today is on two priority areas for CLAC. The first is continuing to invest in Ontario's infrastructure, and secondly, investing in Ontario's seniors. Construction and health care are two significant areas for our members where we see both a need and opportunity.

First, infrastructure: CLAC has a strong and growing presence in the construction industry in Ontario. We represent about 4,000 construction workers in this province and about 38,000 construction workers in Canada. They work on all kinds of public projects in the heavy civil and the industrial, commercial and institutional sectors. Our members have worked on the Pan Am village, Victoria Hospital, the South West Detention Centre and the Waterloo water treatment plant locally, to name only a few. Our members are proud of building Ontario and want to continue making this province a better place. Despite efforts to repair and replace our aging infrastructure, demand has outpaced infrastructure capacity. CLAC is pleased to see that all parties support infrastructure investment and hope to see continued high levels of investment in infrastructure in this year's budget.

In addition to budget for infrastructure, CLAC would like government to invest in other changes that will create a more productive environment, will safeguard fairness and will ensure that we have the skilled workers necessary for current projects and projects in the years to come. We have three recommendations.

The first of them is to significantly reform Ontario's labour relations to enable greater competition and co-operation. A think tank by the name of Cardus just came out with a paper that articulates such a direction and the legislative changes to accomplish it. This vision will move Ontario beyond the pro-employer or pro-union bifurcated policy debate that has dominated for decades without productive results. Reforms would see Ontario's

labour relations become much more productive, cooperative and accountable.

Our second recommendation—you've heard it already today, indicating that it is important for many Ontarians—is to ensure fairness when investing in infrastructure. We urge government to fairly and openly tender all public projects to all qualified contractors regardless of union affiliation. Fairness to all taxpaying workers and value for tax dollars demands fair and open tendering.

A third recommendation is to create the skilled workforce we require. CLAC recommends that the government invest in programs like the Canada jobs grant. In addition, we encourage the province to look at policies aimed at supporting our skilled trades and promoting apprenticeship.

Our second major area is Ontario seniors. CLAC is invested in issues related to the care of seniors and the working conditions in their residences. We represent over 8,000 workers in the health care sector throughout the province. Our members in this sector primarily work with our aging population in hospitals, long-term-care homes and retirement homes. We represent nurses, personal support workers, cleaning staff and foodservice personnel. Our members care about their patients and residents and want to ensure that they are able to give the best possible care and to do it safely.

We have three recommendations that will support seniors and the caregivers who work with them. First of all, we recommend that the government establish a minimum standard of hands-on care per resident per day of 3.5 hours. We are calling for this standard to ensure that staff have the time to care for our aging population with dignity and to protect residents and employees. This recommendation has been issued by the coroner's inquiry into the Casa Verde homicides and has been supported in one form or another by almost all major stakeholders in this sector.

Second, we call upon the government to extend WSIB coverage to the retirement home sector. At present, most workers in retirement homes are not covered by WSIB. Some retirement homes provide workplace accident insurance coverage with varying benefit levels; others have no coverage at all. This sector doesn't have mandatory coverage because it is not listed in schedule 1, the list of industries for which WSIB coverage is mandatory. It has nothing to do with the appropriateness of the sector or the risks involved. I am confident that everyone sitting on the committee is well aware of the increasing mental and physical health challenges our aging population and their caregivers together are faced with. Our members ask government to ensure that they are adequately protected under Ontario's no-fault system when they are injured on the job. Expanding coverage to this sector would not only provide proper protection for these workers but would also improve the overall safety of retirement homes in the province.

Thirdly, we're calling on the government to cover home care services under the Hospital Labour Disputes Arbitration Act. At present, employees of hospitals and

long-term-care homes who provide care or treatment to persons suffering from illness, disease or injury are prevented from striking as a result of a labour dispute. Home care workers provide the same type of essential services and should be added to the list of workplaces that are covered under HLDA. Including home care workers under this legislation would ensure that disputes over wages do not result in the denial of these essential services to the people who rely on them. It would also give workers a fair forum to resolve labour disputes that does not compromise patient care or safety.

In conclusion, these recommendations that we put forward today are aimed at making Ontario stronger and more prosperous. We thank you for your consideration of the items we have proposed and would be pleased to answer any questions you may have. We will follow this up with a written submission by January 23.

**The Chair (Mr. Kevin Daniel Flynn):** Perfect. Thank you very much for your presentation. Who's first? Michael?

**Mr. Michael Harris:** Thanks, gentlemen, for coming and presenting today. This is, I believe, now the third time that open tendering has been mentioned to the committee today. I'm not sure if you can talk about potentially the local impacts closed tendering would have on this community should that proceed.

**Mr. Ian DeWaal:** We are observing in this region, the region of Waterloo, just such a situation right now, Mr. Harris. I'm sure you're familiar with it. Because of a loophole in the Labour Relations Act and restrictive subcontracting provisions within what's called a province-wide collective agreement, the workers and contractors that employ them and who perform work for the region of Waterloo are assumed to be cut out of future projects if they do not maintain certification with the appropriate union, one particular union.

1310

The most stark example is in the waste and water treatment sector, where we have in this region 28 contractors who have been deemed qualified, because of a rigorous process that they're subjected to, able to build and erect water and waste water treatment plants, about \$128 million worth that's forthcoming. Of those 28 contractors, only two of them will be deemed eligible after the labour board certification of the carpenters' union.

Those are things that have gone on across the province; that's not just happening here in the region of Waterloo. We've seen that replicated in places like Sault Ste. Marie and Hamilton, to name a few. Those are areas where the provincial government could become involved to ensure that access to that work is fair and to ensure the taxpayers are getting the best for their dollar. Those dollars, which are limited, in an area that needs a lot of investment, would go much farther.

**Mr. Michael Harris:** Clearly, we've heard appeals to this committee today and to the government to change the legislation to ensure that municipal infrastructure projects are competitively bid on in an open process.

Obviously, again, there's that legislative solution that's required. What do you think it will take to get all parties on side with this?

**Mr. Ian DeWard:** The best solution is a solution that brings together the need to protect worker rights while protecting the taxpayer. A solution that would most easily resolve all of the concerns around the table is one that simply distinguishes construction employers, for whom a very particular part of the Labour Relations Act has been crafted—to distinguish public employers from that group of construction employers, so municipalities and various other provincial agencies. There's a solution there that would, as I said, protect the rights of workers while balancing the interests of the taxpayers without a negative effect on our local economies. That's the kind of solution I think all parties should be able to get behind.

**Mr. Michael Harris:** How much time do I have left, Chair?

**The Chair (Mr. Kevin Daniel Flynn):** You've got about two and a half minutes.

**Mr. Michael Harris:** Obviously, from the presenters today, it's a significant local issue, potentially bearing a decision from the Labour Relations Board. What other areas across the province does this actually impact and could it impact potentially?

**Mr. Ian DeWard:** The two biggest ones that come to mind—sorry; the municipalities are one such area. The two others that come to mind are school boards and our power generation system. The province is caught up in similar monopolies under what's called the EPSCA agreement, the Electrical Power Systems Construction Association, all of which serve to limit and prevent most contractors from bidding on publicly funded work.

**Mr. Michael Harris:** Anything else you'd like to add?

**Mr. Ian DeWard:** We'd love to see this feature as a key issue in this budget.

**Mr. Michael Harris:** I agree. Thank you very much.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much for coming today.

#### ONTARIO NURSES' ASSOCIATION

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation is from the Ontario Nurses' Association. Beverly Mathers, would you like to come forward? Make yourself comfortable. Everybody is getting 15 minutes, leaving about five minutes for questions. Once you get comfortable, the floor is yours. The questioning this time will come from the NDP.

**Ms. Beverly Mathers:** Thank you, Mr. Chair. My name is Beverly Mathers. I'm a registered nurse, and I currently work as a manager of labour relations with the Ontario Nurses' Association. I'll refer to our association as ONA throughout the presentation.

My background in nursing includes 31 years as a registered nurse, some of it in cardiac care in Hamilton Health Sciences. The biggest focus of my accountabilities these days at ONA is as a lead for our activities

in the long-term-care sector, in particular the long-term-care homes.

As a leader in those long-term-care homes, I've been ONA's representative on a number of key activities with the government as well as advocacy groups in the province. The first one was the Casa Verde coroner's inquest in 2005, which looked into two homicides in the Casa Verde nursing home. I also have been part of the implementation committee of Shirlee Sharkey's report entitled People Caring for People: A Report of the Independent Review of Staffing and Care Standards for Long-Term Care Homes in Ontario, in 2008. More recently, I participated in the Ontario Long-Term Care Task Force on Resident Care and Safety. In 2013 and now, I am part of the group known as SAFER, the Staffing Alliance for Every Resident, which is an advocacy group that is currently lobbying government to increase staffing to prevent future violence in long-term-care homes.

As you may know, ONA is the largest nursing union in Canada. We represent 60,000 registered nurses and allied health professionals in Ontario, as well as 14,000 nursing students who we hope will become future nurses and continue the strong nursing profession we have here in Ontario. We provide quality care each and every day in hospitals, long-term-care facilities, public health, community clinics and industry.

Registered nurses in this province are extremely concerned about the extent of understaffing that exists in Ontario hospitals, long-term-care homes and communities, and the impact that understaffing is having on the quality of patient care, residents and clients. We know, for instance, that there are still long ER waits in the hospital sector—certainly in the Kitchener area and the London area, to name a few.

We know that hospitals are suffering from the pressures of alternate-level-of-care patients, who are patients who need to be placed alternatively outside of hospitals, but either they can't get the support that they need at the level they need in the community or there aren't sufficient long-term-care beds for them to be moved. This is putting huge pressure on the health care system.

Let me give you some shocking facts. The ratio of RNs to 1,000 Ontarians is the second-lowest in Canada. In Ontario, we have seven RNs per 1,000 population, compared to 8.3 RNs per 1,000 throughout the rest of Canada. While this might not sound like much of a difference, it creates a significant gap in RN care for Ontario, particularly when you consider the shift in care from institutional settings to the community and the acuity that now exists in our institutions.

In fact, this means that we need a funded plan of action to hire more than 17,500 RNs in Ontario just to catch up with the rest of the country. That doesn't include the fact that we have more than 22,000 nurses in this province who are age 55 or older.

This afternoon I really want to try to focus my remarks on the dire need for more registered nurses in the long-term-care sector to meet the increasing needs of our

residents, who are possibly your mother, your father or even your grandparents. Make no mistake about it: The state of our long-term-care homes is firmly on the minds of many Ontarians, and it is becoming a serious point of conversation in many communities. Certainly it is a topic the press loves, as was evidenced even yesterday in the Toronto Star.

There is exhaustive literature on the relationship between higher RN staffing levels in long-term-care homes and improved quality-of-care outcomes for residents. Conversely, decreasing RN staffing has a negative impact on residents' health and outcomes. Unfortunately, RN staffing levels in Ontario long-term-care homes have not kept pace with the increasing complexity of resident care needs and are not keeping pace with residents to keep nurses safe.

Let me give you some examples of that increasing acuity in long-term-care homes:

- 92.8% of new residents in homes now have two or more chronic illnesses;

- 77% require extensive assistance or are totally dependent for help with activities of daily living;

- 83% of residents in 2011 had high or very high care needs, compared with 72% in only 2007.

From the research literature, we know that higher levels of RN staffing in long-term-care homes are essential to care for these residents who are complex, have unpredictable conditions and certainly now have unpredictable behaviours. In addition, US nursing homes with higher levels of RN staffing had a lower likelihood of receiving staff-related citations, and homes with lower RN hours per resident had increased mortality rates during norovirus outbreaks.

**1320**  
Reformed long-term-care legislation and regulations in Ontario fail to include mandated staffing and care standards. Instead, they rely on voluntary staffing plans that are a lower requirement than even the former Ontario legislation had that mandated long-term-care homes to ensure there were sufficient staffing levels to provide the nursing care required by the residence.

A critique of this policy of voluntary staffing concludes that this voluntary approach to staffing in long-term-care homes in the US had not resulted in improved RN staffing despite increasing acuity of residents and payments of billions of dollars.

The author of this study recommended that the best way to achieve appropriate staffing levels in nursing homes is to require them by law and to enforce those standards. ONA agrees with that research.

The current approach adopted by the Minister of Health and Long-Term Care in Ontario, which relies on an overall per diem increase in funding to improve staffing and care levels for the residents of long-term-care homes, has failed to improve staffing in long-term-care homes to meet the care needs and the unpredictable conditions of residents.

For instance, there is a home here in Kitchener which last year laid off half of its RN staff despite the fact that

they had an increase in their per diem funding and that the government's own funding formula, which is called CMI—the case mix index—had actually increased in that home.

This care, then, is not being delivered to your mother, your father or your grandparents. ONA is calling on the government to implement a funded and regulated minimum staffing standard of an average of four hours of work of nursing and personal care per resident per day, including .78 RN hours per resident per day, which will address increasing resident acuity and the RN staffing recommendations for quality care in the nursing literature.

Ontarians want the government to make long-term-care funding a high priority and would protect this funding envelope from cuts, and believe that health care is, in fact, the government's most important service.

Some 90% of Ontarians also agree that reducing the number of nurses would truly hurt the quality of care in the health care system. The simple fact, based on the evidence, is that health care outcomes for Ontario's residents living in long-term-care homes suffer when fewer registered nurses are part of the staff mix to provide quality care. Residents are being put at risk. They need the government's help, and we believe Ontarians want to do better. Fewer RNs in long-term-care homes means that the RNs who are there are left trying to coordinate and plan care for an extensive number of residents, in some cases up to 300 residents on the weekend, evenings and night shifts.

You may recall that the 2005 coroner's inquest at Casa Verde recommended this situation had disastrous consequences for resident care and made recommendations which included that a daily staffing standard for residents be regulated. ONA has continued since 2005 to lobby for that, and that has not occurred to date. Among the most important recommendations are to appropriately staff long-term-care homes to allow residents with cognitive abilities to be better managed, to monitor their treatment plans, and to upgrade staff training to ensure they have the knowledge, skills, time and resources to assess and treat those residents with cognitive impairments.

Immediate changes to the funding model for long-term-care homes are essential to properly staff and meet the needs of those residents. Violence in long-term-care homes has only increased since the recommendation of the coroner's inquest at Casa Verde.

It is a simple untenable fact that long-term-care residents are being put at risk when they live in our long-term-care homes. The elderly deserve dignified, safe and respectful care. They should not be living in fear of their neighbours while living in long-term-care homes.

On behalf of front-line registered nurses, we have been calling for improvements in care for these vulnerable residents for more than a decade, yet despite one tragedy after another in long-term-care homes, registered nursing levels continue to decline.

Our recommendation is for a funded and regulated minimum staffing standard, and it is submitted with the

goal of refocusing government on this key initiative to restore RN care levels in our long-term-care homes as a top priority at a renewed pace. Our mothers, fathers and grandparents deserve no less.

Thank you, and I'm happy to answer any questions.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Beverly. You've left just over two minutes. Catherine or Michael?

**Ms. Catherine Fife:** Thank you very much, Beverly, for your presentation. You mentioned the voluntary staffing plans that are now currently in homes. This has been a reduction in oversight around how much staffing needs—like, a standard of care. When did that come into play? I just want to confirm: You've seen those standards of care drop purposely over the years.

**Ms. Beverly Mathers:** What we have seen, since the new Long-Term Care Homes Act was actually implemented, is that with the exception of mandating one RN around the clock in a home, there is no other staffing standard. It leaves it up to the homes' administrators to determine what that staffing standard is.

When you have a number of for-profit homes that are focused on making a profit as well as providing care, those voluntary staffing plans either fall to cheaper providers or else our nurses aren't even consulted on what the care needs are in the home.

**Ms. Catherine Fife:** That's a very important piece. So the long-term-care facility that you mentioned, where they let half their staff go, yet their stipends went up from the Ministry of Health—was this a for-profit or a not-for-profit home? Can you say?

**Ms. Beverly Mathers:** It is a for-profit home.

**Ms. Catherine Fife:** Thank you.

**Mr. Michael Prue:** If there's time—

**The Chair (Mr. Kevin Daniel Flynn):** Michael, there's about a minute left, if you can do it in a minute.

**Mr. Michael Prue:** Okay. This is the budget committee, so I always try to get some numbers. What would it cost the government of Ontario to staff up 17,500 nurses?

**Ms. Beverly Mathers:** There's no doubt about it: It's going to cost millions of dollars. We think, though, there are other places in the budget, even within health care, where the funding could be diverted. That could be around retrofitting the C and D homes in the province and even delaying some of the rebuilding of those facilities through retrofitting, and redirecting those funds back into staffing.

**Mr. Michael Prue:** Okay, just so I'm clear, it would cost a lot of money, but you think that it can be found from within the existing budget rather than, say, raising a billion dollars in taxes.

**Ms. Beverly Mathers:** Correct. We don't think it needs to happen. We think it could be phased in, some of the staffing, over a number of years, provided the commitment is there.

We also know, given the health ministry's—

*Interruption.*

**Mr. Michael Prue:** Keep going. Keep going.

**Ms. Beverly Mathers:** —goal to decrease the number of patients in hospital, that the acuity is going to continue to rise in long-term care, so the care needs are going to be there and more staff is going to be needed as there are less patients in hospital.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Beverly, for coming today.

**Ms. Beverly Mathers:** Thank you.

**Mr. Michael Prue:** She got it all in.

**Ms. Beverly Mathers:** I'm good at that.

#### ORGANIC COUNCIL OF ONTARIO

**The Chair (Mr. Kevin Daniel Flynn):** Our next presentation this afternoon is from the Organic Council of Ontario. Jodi, are you with us? Come and make yourself comfortable. Fifteen minutes: Use that any way you see fit. I'll let you know when there's about five minutes left, and the questions will come from the government side.

**Ms. Jodi Koberinski:** Okay, great. Thanks.

I wanted to just say a quick thank you to everybody for holding these hearings. It's really important for us to be able to speak with the government about spending priorities.

I represent the Organic Council of Ontario. We've been in the province since 2006. We were created as an umbrella organization to act as a permanent collaboration along the value network from producer all the way through to eater. We have representation not just from farmers but from processors, brokers, sellers, retailers and the general public.

I'm going to start with just a quick philosophical bit, and then I'm going to give you a couple of really quick, specific asks.

Generally, we recognize that this government is focusing on the economy, and we couldn't agree more; it's the most important thing. But we don't want to see that we're losing what's becoming the new conventional wisdom, and that's that we have to think about the triple bottom line when we're thinking about the economy. There is no point in investing in economic opportunities today that hurt our goals around social and environmental sustainability over the long haul.

1330

For example, when we push for bigger, better, faster, more agriculture, with a focus on yield and size and scope as opposed to what's good for the farm community, we end up hurting our rural economies in the long haul—so just as a point of invitation to consider what's behind the kinds of jobs that we're creating or what's behind the places where we're focusing our money, particularly in agriculture. If our money is going to promote programs that focus on monocultures, for example, that may create jobs today and it may sell some more corn today, but it doesn't necessarily build the kind of economy we want to have in the future.

To that end, I want to speak to the need to start to name "organic" specifically in our agricultural budgets.

For example, in 2010, the Quebec government invested \$5.1 million specifically in organic agriculture in three areas: They invested in extension and research, they invested in marketing, and they invested in transition, where programs actually paid farmers to transition to organic. We don't see that sort of programming here. What our farmers are told is to build into the existing programs and find the support dollars there.

We've done a really good job as a sector of accessing OMIF and the Growing Forward projects, and we're really thankful that those projects are there. But without naming "organic" specifically as a program stream, it makes it much more challenging to build the kind of projects that are forward-thinking as opposed to reactive.

Specifically, there are two asks that we have. The first one is that we would like this government to reinstate the organic crop lead at OMAFRA. We find it unconscionable that when we're growing 12% to 15% post-recession in a market that's growing 3% to 4%, and until at least the most current layoffs it was the number one driver of the economy in the province, we don't have, out of 600-plus staff at OMAF, a single person dedicated to the organic sector. It's just not okay. We're asking that, rather than having that job on the shoulders of someone who already had a full-time job, you hire now—it has been two years since Hugh Martin left this position. We think it's time that you acknowledge the importance of the sector and reinstate that position. The \$150,000 that it would cost to hire someone and the support staff that they would need is a fairly small investment to send a strong signal to the rest of agriculture that you value organic.

The last piece, concretely, that we have to ask for: Our farmers currently pay checkoff dollars to their various commodity groups. Our grain farmers pay to the Grain Farmers of Ontario; our dairy farmers pay to the Dairy Farmers of Ontario. Then the various organizations are expected to take those checkoff dollars and invest them back into improving the sector. Some of that money goes into research and development and some of it goes into marketing, and it is the way that these groups access Growing Forward 2 dollars. Organizations like ours and the Ecological Farmers of Ontario and FarmStart: In order to access those programs, we have to now go out and fundraise our 25% to 50% contribution and can't access money that farmers have already paid to be put into those pots. We've been able to start to develop some really good relationships with the commodity groups, but clearly there's a lot more of a cultural shift that needs to happen before the conventional organizations really see their role and partnership to grow the organic sector. We can get letters of support, but finding someone to step up and economically support the kinds of projects we're promoting hasn't happened yet. If we want to see the \$1 billion of sales that are happening in organic in Ontario accrue to Ontario farmers, we're going to need to invest in helping them do that.

I'll take your questions.

**The Chair (Mr. Kevin Daniel Flynn):** Super. Thanks, Jodi. You've left about nine minutes.

**Ms. Jodi Koberinski:** Well, we can catch up. I'm all right with that.

**Mr. Vic Dhillon:** First of all, thank you very much for appearing before the committee today. I just have a question: What's your organization's impression or what does your organization think about the Local Food Act and the Local Food Fund?

**Ms. Jodi Koberinski:** We're really excited about the Local Food Fund and the Local Food Act. One of the things that we brought forward to the group about the act specifically is a recognition that for many people, "local" is proxy for other values. People may say they want local food, but they want their local food to also be economically sustainable, socially sustainable and environmentally sustainable.

We've seen studies, for example, where 6% of interviewees on a 2010 study out of Vineland thought that "local" meant GMO-free. There's a lot of confusion about what "local" is, but what people are really asking for is localized food. It's not just a postal code; it's a whole food systems approach. We would really love to see some specific language around organic and agri-ecology in both the fund and the act as we move forward. For example, you have given us a really great tool in the Foodland Ontario organic designation and yet there have been no dollars specifically allocated to promoting that brand. Most Ontarians don't know we have it, let alone our farm community. We'd love to use the Local Food Fund to be able to support the development of that brand.

Truthfully, the way that things happen right now is that when we write grants, we dance around the "O" word. We can't come out and say specifically this project is supporting organic because it comes across like it's picking a winner. Unless that language is written specifically into these acts and into the program dollars, we are constantly fighting and watering down some of the activity that we want to do, so that we're "inclusive."

So if you want to make the Local Food Fund really fly for increasing the amount of food being grown organically, we're going to name those programs specifically in there.

Another piece to that under the Local Food Act that we'd like to see is moving towards some kind of provincial regulation for the term "organic." Currently, we have a loophole right now where, because organic falls under the CFIA's jurisdiction, it only applies when a product transfers borders. So Ontario product that moves to Manitoba must be certified organic, but if I grow it here in Ontario and I sell it down the street at the market, I'm not required to certify. It's starting to decrease trust in the marketplace about what organic really means.

We have a committee meeting nationally right now as part of our national standards review to look at small-scale certification and see if we can come up with a system that recognizes the difference of threat to the system from small-scale producers versus imported product. Right now, we have a situation where our small guys have to meet the same sort of routine for the inspection system as bringing in foreign product, and we

think we can come up with a system that can make it less onerous for the local producers. Where I'd like to see this government working with us in partnership on that is simply a \$20,000 or \$30,000 grant to study the situation for how this regulation is impacting, and what we can maybe do moving forward would be really helpful as well.

I hope that answers your question.

**Mr. Vic Dhillon:** Yes, thank you very much.

**Ms. Jodi Koberinski:** Others?

**Mrs. Donna H. Cansfield:** I was curious about the fact that the need to reinstate the organic crop lead at OMAFRA—Mr. Martin had left two years ago.

**Ms. Jodi Koberinski:** Yes.

**Mrs. Donna H. Cansfield:** Can you tell me the rationale why he was—

**Ms. Jodi Koberinski:** Why he wasn't replaced? Because there was a decision at the government level to cut 10% of funding across the board where we can, and there's just a lot of not hiring happening in middle and upper management in every department that doesn't necessarily reach to the political level. It was a way of being able to find some savings.

Now, Hugh did a really good job. There are a lot of folks across OMAFRA who have organic as part of their job description. But we used to see meetings between four and six times a year where we would go and meet with a selection of crop specialists and others. Those meetings are not happening. They're a little bit willy-nilly amongst OMAF as people can find time.

The job was given to Evan Elford, who was already the emerging crop specialist. He has made it to one of my 12 board meetings in the past year. He just simply does not have time. He's doing the best that he can with the resources that he has, but we have no one paying attention either at the agronomic level or, more importantly, at the business development level specifically to this organic opportunity.

**Mrs. Donna H. Cansfield:** So it really sounds like more of a challenge around a job description of an individual or two or three, and maybe some direction at the top of the food chain—

**Ms. Jodi Koberinski:** Right. What we need is a person specifically whose job it is to develop this sector.

**Mrs. Donna H. Cansfield:** I guess we could agree to disagree. Lots of sectors do not have specific individuals named—

**Ms. Jodi Koberinski:** I'm going to suggest that if you tried to do my job and work with the conventional sector and you understood the roadblocks and the barriers that are in the way of getting there, you would understand the need to have a specific person at OMAF whose job it is to help shift the culture of agriculture toward agri-ecology. There's a lot of work that happens that doesn't look like productive work but is the work of changing minds. Without having someone specifically focused on organic, then it becomes a backseat to other things.

Please recall—I know it's hard to understand if you're not in agriculture—that organic is not simply just another

choice in agriculture. It's a fundamentally different approach to how we grow food and structure our food system. So when it becomes an add-on conversation, then it becomes a conversation about the input we're allowed to use that's okay with organic and not a fundamental rethink about how we approach agriculture. It would be a little bit like saying, "Well, we've got a chaplain. He's Jewish; he can kind of cover the Christian stuff."

They're completely different approaches to the way that we fundamentally approach things. I don't think that adding it to someone else's portfolio, whose job it is to primarily serve the chemical agriculture sector, which thinks very differently about what it is that we're up to—it's just not possible to have it be workable. Even Manitoba, a province with certainly not the size of population we have here, has its own organic business development lead. I think that we can do at least that well.

1340

**Mrs. Donna H. Cansfield:** It's an interesting debate, because certainly there are lots of folks who have double responsibilities.

The other question that I wanted to ask was the whole issue around research and development and if you could give me some idea about what is happening or not happening, who's involved, and then, of course, some discussion maybe about the recent issue around pesticides being found in the organics. I'm interested in the fact that you—and I agree that there probably should be a provincial standard of some sort.

**Ms. Jodi Koberinski:** Yes. So just really quickly, research and development: We've got a science cluster, money that's national. This government is a year and a half delayed in releasing the funding that was announced. We're actually losing projects because funding partners are disappearing. There was an initial investment; in the first round of science cluster, I think it was around \$5 million in total between government and the public. We're looking at another \$3 million or \$4 million in this round. And that's it. That's all the money that has really been spent specifically on organic.

We have lots of good organic research that's happening under Growing Forward 2 and has happened under the OMAF/University of Guelph partnership. Again, it's not specific to organics. We haven't seen that folks are not getting research grants, the way that we're not seeing the development work happen, so that's a positive, but we still think that speaking specifically to the organic research and making that a permanent priority is just smart thinking. Whether you agree that chemicals are good in agriculture, we are running out of cheap sources of oil, and we're going to want to save those petrochemicals for health care and places where we really need them.

In terms of the issue around the credibility and the need for a standard, undoubtedly having a provincial standard helps address some of the kinds of problems that came up. For example, one of the cases of fraud that was reported on in the CBC happened before the national standard came in in 2009. Really, the true reporting on

that story was, "We came up with the national standard; at that point was when we had some teeth to be able to go after that particular company for fraud."

We're also seeing that 92% of organic produce has either zero detectable pesticide—in that set of tests, 52% had zero detectable pesticide. All but 8% had less than 5% of the maximum allowable limit for that given pesticide. Of that 5%, we haven't seen the data to know: It could have been fraud; it could have been water runoff. Let's say it was all fraud; 92% of the time, you're getting what you paid for. We'd love to see the same level of scrutiny applied to the conventional food system and see how we're doing.

We're happy to put our record up. We believe that, by and large, we're delivering on what consumers are looking for out of our sector. When we close the loopholes on marketing, it just puts a little bit more strength in the system.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Jodi, for coming today.

**Ms. Jodi Koberinski:** Thank you very much, everyone.

#### MS. CATHERINE STEWART SAVAGE

**The Chair (Mr. Kevin Daniel Flynn):** Okay, our next presenter this afternoon is Catherine Stewart Savage. Catherine, if you'd like to come forward. Make yourself comfortable: 15 minutes like everybody else. Try and save a little bit of time for questions if you can. Questions this time will come from the Conservative Party.

**Ms. Catherine Stewart Savage:** My name is Catherine Stewart Savage, and I am one of the coordinators of Out of the Cold in Kitchener-Waterloo. Out of the Cold is a program that started in KW in 1999. It was developed in response to a call by the provincial government that asked churches to help out, temporarily, as we went through a recession. We've now entered our 16th year at First United in Waterloo, and there seems to be no end in sight.

Our programs are completely volunteer-operated and -run with no paid staff and no government funding. We deal with some of the poorest people in the region. In the report Hearing the Voices: Learnings From Kitchener-Waterloo Out of the Cold, which was written in 2011, it showed we had over 1,000 volunteers contributing more than 22,000 hours across nine sites. We're now operating at 11 sites. All of these volunteers are doing this without formal training, out of the goodness of their hearts. We are all non-professionals doing our best in a very difficult situation. What has really brought this home to me is an incident that happened last year when I called for an ambulance and the EMS personnel sat outside the church for five minutes waiting for the police to arrive because they felt Out of the Cold was too dangerous a place for them to go into alone.

I wish I could tell you that there had been some improvement in the last few years for those accessing Out

of the Cold programs, and I wish I could tell you we were seeing a decrease in our numbers. I wish I could tell you that we now see an end to the need for untrained volunteers to be doing community outreach to help feed and shelter people who have been left behind. I cannot. Instead, you need to know that our numbers continue to increase. Our costs are going up; our buildings are seeing wear and tear from being used in ways never intended. Many of our volunteers have been doing this for 16 years, and, quite frankly, they're exhausted and too tired and burnt-out to continue.

When we started in 1999 with four sites, we had an average of 17 people overnight and fed 31 people. Our site which is in Waterloo is now seeing over 70 people every Friday night, and we're feeding up to 150 people each week. And we don't have the highest numbers; those are in the Kitchener area. People just can't walk all the way to Waterloo to get a meal. Many of the churches are close to capacity. We're running out of room. We're having trouble finding people to volunteer, especially overnight.

On top of those problems, most of the churches are struggling themselves. If the churches fold, the Out of the Cold program, ironically, will also be without a home. We know that the Tuesday night site in Kitchener is no longer going to be able to continue after the end of this season, and other sites are also struggling. Any way you look at it, we cannot absorb much more, yet the need continues to increase.

In the last two years, our food expenses at First United have increased by about one third. Some of this is due to inflation, but much of it is due to the increased need. I had one man come to me to thank us for the simple meal we provided. He said he had used up all his visits to the food bank and he had not eaten in three days.

Many of the people we are serving at Out of the Cold today never thought they would come to the churches for help. They are people who always thought they would have a job, and if they didn't have a job, they had paid taxes so that there would be a social net to help them until they could get back on their feet.

In fact, many of the people we are serving today do have jobs. The problem is that they're getting minimum wage, which is much too low to live on. And most of them who are working are working part-time, mostly without any benefits at all.

The people of Ontario should be ashamed that this is the way we treat our citizens. Good people who could be leading productive lives and giving back to their communities have been reduced to sleeping on church floors.

Many of our other guests are people society should have been taking care of all along. They are people with serious mental health problems, people struggling with addictions, people dealing poorly with trauma in their lives.

There is a story that I suspect most of you are familiar with. It's about babies in a river. Essentially, villagers living near a river start to see babies floating by. At first,

they jump in to pull the babies out, but more and more babies keep appearing. Then some of them, realizing they can't save them all, start teaching the babies to swim. Finally, someone realizes what needs to happen is that they need to prevent the babies from getting into the river in the first place. I don't know where on that continuum social services fits, but I do know that Out of the Cold is the bottom of the river. The guests we are seeing were not prevented from getting into the river. They were not helped to get out of the river, and, for whatever reason, they are unable to swim on their own. It is time for the province to step up and start caring for these forgotten people.

I am also an employee of Supportive Housing of Waterloo. This is an innovative project that was developed by some of the churches that host Out of the Cold. It's based on the principles of Housing First, and it provides 30 permanent apartments for individuals who have been homeless for at least one year. We are now also supporting three members of the community and working on developing another house that will house eight more people. This is a program that really works. Places that use a Housing First model have shown great success, not only for the individuals housed, but also in reduced costs for health care and the justice system. The federal At Home/Chez Soi program is an excellent example of that.

1350

Most of the tenants at SHOW came directly from our Out of the Cold programs. I see these people weekly, just as I did when they were coming to our church, but sometimes it's hard to believe they're the same people. I see hope in their eyes, sometimes for the first time in years. They walk proudly with their heads up, and their backs are no longer stooped to carry their belongings. They have an address and a place they can call their own. Some of them are getting long-needed medical and dental care. Some are upgrading their education and looking for work. Some have even reconnected with long-lost family. There are often smiles on their faces, and they are truly beginning to feel safe at last.

The people we serve at Out of the Cold and at SHOW are people just like you and me, who have had the misfortune of finding themselves in difficult circumstances, so let's try to put ourselves in their shoes. Imagine this: First you lose your health, then you lose your job, then your employment insurance runs out. What do you do? You apply for disability. You are totally humiliated and exhausted by the process, and then you're turned down anyway. You use up your life savings. You can no longer maintain your house. What would you do?

Or you're a single parent cycling between OW and low-paying jobs. You rent a small house but can't always make the utility payments. Each time the hydro is cut off, you need to find that much more to have it turned back on. What would you do?

Or you are a homeless man with mental health issues. Your feet are covered in sores from walking in wet boots, and you cannot go to the hospital because you believe they will cut off your feet if you do. What would you do?

Or you're a young, married woman with a disability. Your husband has a full-time job, but he works for minimum wage. You can't get disability because he has an income. You are one of over 3,000 families on a waiting list for affordable housing, but you can't afford your rent now. So you take in a roommate, but he abuses you when your husband is not around. What would you do?

I know that stories like this are true. This is what living in poverty in Ontario is like for countless people. Once you have sunk into the depths of poverty, it is very difficult to find your way back out. It seems that we, as a society, do everything in our power to make it so. We're reluctant to offer assistance until the situation becomes desperate. We demean and devalue those people to the point that they, themselves, begin to doubt their own self-worth.

The United Nations declaration of human rights, article 25(1), states: "Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control." Somehow, we seem to think that this right is only for those who can afford it.

We resent every dollar that goes to someone in need. We think it's okay to dictate and control how money we give to the poor is spent. We don't do that for our seniors, we don't do that for our employees, and we often don't even do that with the allowance we give our children. But we tell the poor how much they should be spending on housing, how much should go to food or to entertainment, and then we criticize them when they're not dressed well or they have bad teeth or bad haircuts.

A quote that I really like is carved above the entrance to the United Nations building: "Human beings are all members of one body. They are created by the same essence. When one is in pain, the others cannot rest. If you do not care about the pain of others, you do not deserve to be called a human being."

People living in poverty need our compassion, our support and our respect. They need programs that will help them regain their dignity and feeling of self-worth. We can help people out of poverty so that they can become regular members of society again who live normal lives, going to work and paying taxes. Some could even go on to do great things, if only we give them a chance.

I would ask that this budget include increases to funding for programs that help those living in poverty. I would ask that increased funding be provided for poverty reduction programs and for housing. In particular, I would like to see much more funding for housing supports, both in the general housing stock and in new buildings.

We cannot be a prosperous province unless all of us, as citizens, feel prosperous too. We, the people of Ontario, expect the government to take this responsibility.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Catherine. You've left about two minutes for a short question-and-answer period.

Rob?

**Mr. Rob Leone:** Thank you so much, Catherine, for coming today. I want to thank you and all the volunteers at Out of the Cold for all the good work that you're doing to help those who are in need.

I have a couple of questions, and one is on the Housing First model that you talked about. Can you explain the funding and what the program is?

**Ms. Catherine Stewart Savage:** Housing First works on the idea that you provide the housing before people need to get help. So rather than say, "If you sober up, we can give you housing," or "If you get on medication for your mental health issues, we will give you housing," it says, "The most important thing is that you have a place to call your own." What they found is that when they do that, without any provision that they have to deal with their issues, people naturally start dealing with those issues anyway, and even if they don't, the costs are considerably reduced through health care and justice dollars.

**Mr. Rob Leone:** How is that program funded?

**Ms. Catherine Stewart Savage:** Different places have been funded different ways. Supportive Housing of Waterloo was built with a lot of money from the infrastructure funding that came out four years ago, and a lot of it is done through donations.

**Mr. Rob Leone:** Is that federal and provincial?

**Ms. Catherine Stewart Savage:** It was federal and provincial. Now we get some funding through CHPP, I think it is, both provincially and federally. It's all channelled through the region anyway.

**Mr. Rob Leone:** Okay. How much time do I have, Chair?

**The Chair (Mr. Kevin Daniel Flynn):** Eight seconds.

**Mr. Rob Leone:** Then I want to thank you once again for coming to our meeting and sharing your story.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Rob, and thank you, Catherine, for coming today.

#### STRATAWORKS CANADA LTD.

**The Chair (Mr. Kevin Daniel Flynn):** Next up is strataWORKS Canada. Derek and Jim, if you'd like to get yourselves hooked up there. Are you making a presentation on the screen?

**Mr. Derek Geisel:** Yes. It's a couple of slides.

**The Chair (Mr. Kevin Daniel Flynn):** We'll give you a second.

Can everybody see that? Okay. Let's get going.

1400

**Mr. Derek Geisel:** Thank you again for allowing us to come in and speak today. We're Derek Geisel, president of strataWORKS Canada Ltd., and Jim Hill, vice-president of operations. I'm going to slide over to this one here so I can work the computer a little better.

What we want to talk to you about today are a couple of things that we're looking at in the construction

industry. I know you've had a couple of committees in here already, talking about the cost and the open bid process. That's one of the things that we're looking at as a business: Where do we go as a government, how does the government operate and how do we see it being a vital part of this moving forward?

The biggest question we have is, is the current infrastructure stimulus fund a benefit to taxpayers in the long term? Everybody in this room has to understand one thing: We are all paid by the taxpayer. They are ultimately our bosses. We should answer to them, we should answer their questions, and they should be able to tell us what they want to do with our money, because they're paying us.

Some of the stuff that we've looked at in the last four years since being in business—are a number of things that we've looked at across the province of Ontario. Sewers spill eight trillion litres of untreated waste per year—eight trillion litres that flow into our clean water systems in this province. That is our drinking water. What's the cost? It's \$40 billion over the next 15 years to return Ontario's municipal waste water sewer systems to a state of good repair. Does anybody know how much water and sewage—human waste—flowed into Lake Ontario during the flood in Toronto this year? A lot. Since 2005, Ontario has applied \$2.1 billion in federal gas tax revenues to help finance \$6.7 billion worth of infrastructure improvements in municipalities. Why do we have that up there? Because you're doing a good job. We just need to find more of it. We need to find more money like this.

What do we have? Here are a couple of examples. In the city of London, accountability: The southeast reservoir is two years behind and \$20 million over budget, with possibly \$50 million more to get it up and running.

In the region of Waterloo, nothing is certain, while they sit at 11 months on a waste water treatment plant, and it has \$600,000 in overruns.

The city of North Bay's capital projects may be deferred. Here's the city of North Bay, who are looking at Highway 11/17. They cannot fix it, because the arena is over by \$4.2 million. Who's held accountable for this at any level?

**Mrs. Donna H. Cansfield:** Him.

**Mr. Victor Fedeli:** No.

**Interjection:** Not him, not him.

**Mr. Victor Fedeli:** Not when I was mayor.

**Mr. Derek Geisel:** So who's accountable? Who pays that bill at the end of the day? Taxpayers. Why is that? Because everybody just hands money out and nobody is held accountable. They all say they want them; we're all saying they're accountable. They're not.

What do we see? We see municipalities should be spending more money to fix their dirty, buried secrets than they spend to construct visible infrastructure services like hospitals, libraries and arenas. We all need those things—they're our bricks and mortar—but the things that are costing us the most are buried.

The province will need to put greater emphasis on loan programs to provide long-term financing to municipi-

pilities, to renew infrastructure and to deliver value to residents. As a buy group, quite simply put, the government can get money a lot cheaper than any private individual company can in any 3P project going on the face of the earth.

Here's the performance standard, proven by Infrastructure Ontario's existing AFP framework to safeguard funding by assigning a few simple mandates. Put these through, and you'll see what happens:

- a realistic asset management plan for all projects, not just ones that you may think you want to get involved with, like sewer maintenance or anything like that, but every project;

- life-cycle performance warranties for all design specifications;

- a minimum seven-year contractor warranty for all work completed—why do we currently just tell somebody that they can spend our money on our specification and, after a year or two, walk away from the job, and the taxpayers are hit for fixing anything after that?

- a minimum seven-year performance warranty on all and every product used in that project;

- mandate that a municipality must certify and submit inspection reports for each phase of work before receiving provincial funds. We do not give our kids any money without knowing where they're spending it. The government should be the same;

- prioritize approval for projects that include a municipal action plan to, first of all, use internal engineering staff to prepare specifications and certify the compliance that our projects have met these standards;

- ensure our bids observe the specifications for best-way construction, with performance warranties, long-term benefits and accountability to taxpayers;

- adhere to a sustainable life-cycle plan that ensures the longevity of the asset.

What's that number? That number is less than 1% of any construction job that isn't a road construction, sewer or sanitary project in this province—for every manhole in the province of Ontario. You mandate those few little things, and that's 30 years of savings right there.

Why can't our assets save us money? Why do they always just cost? Why is it constantly going back to the taxpayers and saying, "We need more; we need more"? That's less than 1% of any job cost. Some \$10.3 billion can be saved over 30 years on nothing more than a manhole, something we drive over every day and complain about every single day of the year.

We change, we make small changes; we make and hold people accountable for what they are designing, installing and constructing—the province turns around. It starts with everybody in this room.

Questions?

**The Chair (Mr. Kevin Daniel Flynn):** Thank you. The questions are coming from the NDP in this rotation. Catherine or Michael: Who's first?

**Ms. Catherine Fife:** Thank you very much for the presentation. I can feel you don't feel strongly about this at all.

**Mr. Derek Geisel:** No, I hate paying taxes.

**Ms. Catherine Fife:** I think people want to see their tax dollars spent responsibly and smartly. On one of your slides—and I look forward to getting a hard copy of this presentation, please—you reference Infrastructure Ontario's AFP structure as it is currently stated. Then you have the further criteria around a seven-year cycle. Has Infrastructure Ontario built that seven-year cycle into their AFP process? Because I don't think they have.

**Mr. Derek Geisel:** No, that's ours, what we're recommending. The only one currently that we know of, that has anything to do with a seven-year, is that the Ministry of Transportation for Ontario has mandated that their paving projects—all paving projects in the province of Ontario—require a seven-year warranty on the pavement.

**Mrs. Donna H. Cansfield:** Yes.

**Ms. Catherine Fife:** Do you see any other jurisdictions—Donna Cansfield is happy about that. She got that done, I think. Are there any other provinces that have reformed their infrastructure financing to the same degree, to the same level of quality?

**Mr. Derek Geisel:** I don't know offhand, and I'm not really interested in whether they have or not. I'm living in Ontario, and I have my business in Ontario, so—

**Ms. Catherine Fife:** My question for you, though, is where did you get the seven years from? Do you just—

**Mr. Derek Geisel:** You could do a five-year; you could do a 50-year.

**Ms. Catherine Fife:** Well, it's a valid question. I just wanted to know where the—

**Mr. Derek Geisel:** A seven-year is based on, first of all, the MTO paving job. Second of all, it's based on when you look at the MTO and they've put the seven-year, we're getting the information from them and they're asking us now, what good is our warranty if the stuff below it is failing? They've had instances now where they've been called to sites and they've called the contractor back and said, "Hey, your paving job is failing."

**Mr. Jim Hill:** Can I weigh in here a little bit?

**Mr. Derek Geisel:** Yes.

**Mr. Jim Hill:** Thanks for the question. MTO is holding that if the asphalt actually performs for seven years reliably without the need for maintenance, it's likely it will last the 18-year predicted life cycle. Right now, fundamentally, they get one year. They've changed the criteria. Thanks to probably a lot of hard work on the committee's part, they got it. Their suggestion is that seven years is the probable time to hold a contractor responsible for it. The probability is that if you get seven years, you'll get 18.

**Ms. Catherine Fife:** Just to go back to Infrastructure Ontario, this agency was set up sort of as an arm's-length agency away from the government to bring that level of expertise and the level of quality and greater accountability to tax dollars in an infrastructure investment. To date, the quality piece is still an ongoing concern, as are the cost overruns that they engage in. We haven't seen the value of Infrastructure Ontario materialize, so I think

the recommendations that you've brought forward are at least a benchmark that we can use to push or, preferably, reform Infrastructure Ontario to that level.

1410

Interestingly enough, though, you seem to be in favour of alternative financing, AFP?

**Mr. Derek Geisel:** Without a doubt.

**Ms. Catherine Fife:** Without a doubt—even though you do admit that government can access money very cheaply. It's interesting because the federal government has moved away from just focusing on AFPs. They now have a new process in place where they will either do the project themselves or AFP, so they have new criteria to decide between those two financing models.

Do you want to weigh in on that? You look like you do.

**Mr. Jim Hill:** I do, actually. One of the options under the IO mandate is to provide loans to municipalities for infrastructure repair. There are some practices in the AFP format that would be beneficial in the loan format as well, and that is to have the expectation that all components and all aspects of work cannot just be randomly applied without addressing the specifications that give best longevity, best life-cycle maintenance and best cost, and that's not the cheapest price going in. If you put performance conditions on, as have been learned from the AFP model, and do parallels to them in the loan structure, what you're transferring to the owner, the project applicant, is that, "To get our money you're going to have to prove to us that you're considering best-way options, not cheapest-way options." That's what I think is the parallel that you can gain.

**Ms. Catherine Fife:** And it is about transfer of risk as well.

**Mr. Jim Hill:** Sure.

**Ms. Catherine Fife:** That's very good. Thanks very much for coming. Did you have—

**Mr. Michael Prue:** Yes, do we have—

**The Chair (Mr. Kevin Daniel Flynn):** You have a minute, Michael.

**Mr. Michael Prue:** Just a minute? I've never heard of your company before, and here you are advocating some remarkable changes, some of which I agree with—AFP, not so much. What is the nature of your company that you're here doing this?

**Mr. Derek Geisel:** We're a small distribution company for better road construction materials. We're in the business to try and fix sewers and roads and support them with long-term, better products to be used instead of the, "Hey, this is the way we've always done it and this is the way we're going to continue to do it moving forward." We get into elevation rings for manholes, sanitary sewers, trenchless technologies and all that good stuff—the polymers, expanded polystyrenes and things that traditionally people do not look at for fixing projects in the way that they should be done. It's a world that has been dominated by the concrete industry. We looked at it as a taxpayer in London and as a taxpayer here and said, "Hey, there have got to be alternative ways." We started

this business and we're determined to make a change somehow, some way, and this forum allows us to get that message out.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Derek and Jim.

**Ms. Catherine Fife:** So we'll get a hard copy of this presentation?

**The Chair (Mr. Kevin Daniel Flynn):** Yes. Thank you for coming today.

**Mrs. Donna H. Cansfield:** Mr. Chair, just a comment. I just wanted to make sure that—I was teasing earlier; when Mr. Fedeli was mayor of North Bay, he ran a tight ship.

**Mr. Victor Fedeli:** Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** So noted.

### CONCEIVABLE DREAMS

**The Chair (Mr. Kevin Daniel Flynn):** Our next presenter today is from Conceivable Dreams. Paula, if you'd like to come forward. Or Jan?

**Ms. Jan Silverman:** Jan. Paula and Jan.

**The Chair (Mr. Kevin Daniel Flynn):** Paula and Jan. Have a seat. Make yourselves comfortable. You have 15 minutes. Use it any way you see fit. The questioning this time will come from the government side.

**Ms. Jan Silverman:** From the?

**The Chair (Mr. Kevin Daniel Flynn):** From the government side, when you're finished, if you leave any time.

**Ms. Jan Silverman:** Good afternoon, and thank you for the opportunity to present today about an issue very dear to our hearts. We are here as members and supporters of Conceivable Dreams, a broad-based organization of patients, family members, health professionals and other supporters who are committed to achieving equitable access to funding for in vitro fertilization, or IVF, for men and women facing fertility challenges.

Today we want to share some information about the experience of other provinces and countries that understand the importance and benefits of funding IVF treatments. In addition to successful, long-standing programs in Finland, Sweden, New Zealand, Australia and Belgium, recent decisions in Japan, Poland and Quebec have expanded access to fertility treatments. Alberta and British Columbia are both currently considering funding IVF, based on substantial research about the societal and economic benefits of the policy.

First, let me remind you of why now is the right time for Ontario to support infertile women and men. Statistics Canada reports that one in seven couples need help conceiving. In some cases, this is a result of medical conditions unrelated to age, while in others the increased difficulties of conception after age 28 come into play.

Although IVF is one of the safest and most effective treatments for infertility, the cost is beyond the financial reach of most Ontario families. For those who choose to go into significant debt to realize their dream of starting a family, many choose to transfer multiple embryos rather

than a single embryo, which is a clinical best practice, in order to increase their chances. Because of this, Ontarians using assisted reproduction are 10 times more likely to have a multiple birth—twins, triplets or higher order—than those who do not. As a result, the rate of multiple births from assisted reproduction in Ontario is approximately 28% compared to below 10% in other jurisdictions around the world that do fund IVF.

Why should the government be concerned? Multiples are 17 times more likely to be born preterm, to require a Caesarean delivery and to need expensive care at birth and throughout their lives. For moms, multiple pregnancies are associated with an increase in medical complications such as gestational diabetes and hypertension in pregnancy. On average, low-birth-weight twins will cost the health system approximately \$1 million over their lifetime. Not taking action has significant costs, not just in dollars and cents but in the personal suffering of the babies, the parents and their extended families. It doesn't have to be this way.

Many countries around the world provide either full or partial funding for IVF. With Japan's recent decision to begin subsidizing IVF treatments, now every G7 country provides some form of fertility coverage. Even in the United States, more than 15 states cover IVF. And in Canada, Quebec has already begun funding treatment, while Alberta and BC are poised to follow suit.

Quebec began funding IVF through its assisted reproduction program in 2010, which has been an instant success. A 2013 review of the program has found that the multiples rate has dropped from around 30% to under 5%. Utilization rates have doubled earlier than predicted but are now stabilizing in line with expectations. The direct cost of the program has held steady at around \$60 million to \$70 million per year, which covers treatments—up to three cycles—and assistive pharmaceuticals. Further, these costs do not take into account the additional savings the program has delivered.

Indeed, in virtually every jurisdiction where the issue has been studied, the net savings to the health care system and society at large from introducing IVF support are positive. That is the experience in provinces and countries with programs in place. It was the forecast of Ontario's Expert Panel on Infertility and Adoption, chaired by David Johnston, in 2008, with the report coming out in 2009, and it has been recently bolstered by one of the most systematic studies of the issue, right here in Canada. As part of a current policy review, Alberta commissioned an independent report to examine the costs and benefits of funding fertility treatments. The comprehensive report, prepared by the Department of Public Health Sciences at the University of Alberta, makes a compelling case.

1420

As part of their methodology, they assessed over 1,400 documents, including 180 economic studies. They considered three approaches to restricting the number of transferred embryos: restrictive, permissive, and one modelled on Quebec. They concluded that under each

scenario, funding with regulation would generate significant net savings to the province both in the short term—pregnancy and delivery—and long term: neo-natal and postnatal care up to 18 years of age. These savings range from \$7 million to \$97 million in health care costs alone. Once you include societal costs, total savings range from \$15 million to \$179 million each year.

The facts supporting government funding for fertility treatments continue to grow. This is one reason the British Columbia legislative committee on finance and government services has included a recommendation to "fund a comprehensive in vitro fertilization policy" in its 2014 pre-budget consultation report.

Despite being a leader on so many other issues, Ontario is currently falling behind on this important health care decision.

The economic case is solid, but we can't lose sight of what a policy to fund IVF would really mean. It would mean hope for many men and women across the province who want to realize their dream of starting a family.

We believe that both adoption and infertility treatments should be available to Ontarians. Medical and financial circumstances, personal preference, luck, and many other factors will dictate whether one route or the other is best for any couple, but the choice should not be skewed due to lack of government support for a defined medical issue. Public funding of IVF is not only the right thing to do; it's also good fiscal policy and good health policy.

On behalf of Conceivable Dreams, we are asking members of all three parties to support a commitment in the 2014 budget to extend financial assistance to infertile patients for access to IVF treatment. We need strong, healthy families to foster a strong and healthy Ontario, and we can't afford to wait any longer.

Thank you for taking the time to consider this important request. We're happy to take any questions you might have.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you. You've left about five minutes for questions, which is great.

**Mr. Shafiq Qadri:** Thank you very much, Jan and—

**Ms. Jan Silverman:** Paula.

**Mr. Shafiq Qadri:** —Paula. As an MPP but as well as a physician, obviously I'm very familiar with the whole area of IVF.

I presume these days, you're concerned, as you rightly should be, that the IVF cycles are—what?—\$5,000, \$10,000 or \$12,000 per attempt. Of course, that's quite a burden on infertile couples, so I certainly appreciate where you're coming from.

Having said that, I have a few questions. En route to full OHIP coverage of in vitro fertilization, would you value—whether it's the government working in partnership with, for example, the College of Physicians and Surgeons, the Royal College of Physicians and Surgeons or the Ontario Medical Association—either specifying or enforcing the guidelines in what is today, as you know, an out-of-OHIP expense?

**Ms. Jan Silverman:** I think at this point, we're quite willing and prepared to work with the government in any form possible. Ideally, it would be wonderful to get a model that would include three cycles or whatever would be advantageous to our couples. Most important right now is that something be provided to help our couples, our individuals, obtain some relief from the financial burden.

**Mr. Shafiq Qaadri:** Understood. Those couples are my patients, too. What would perhaps be helpful for the committee is if, at a later date, you might provide some suggestions in terms of the numbers attached to this. As we are consulting widely, you would likely also have to consult with both the providers and patients themselves.

The other issue: I was struck by your comment about multiple births, and of course we're certainly well aware of the added burden to the health care system that premature infants, perhaps born with other conditions and congenital anomalies and so on—but the patients are happy. If you're looking at an infertile patient who has been trying to conceive for five, eight, 10 years, obviously, within reason, the more the merrier. Twins are a blessing; triplets might be getting a little challenging. Anything more than that, of course, it's time to call in the army or something. I'm just saying it's considered a success beyond belief from the patients' point of view.

**Ms. Paula Schuck:** Initially, perhaps. But I would say, as a parent of a child with special needs, over the long haul, I have personally seen the cost. We went the route of adoption, but I have seen the cost to families, so I wonder, over the long term, if you're looking at that factor as well.

I know first-hand, for many of the couples in our group, the \$1-million cost is absolutely true. The emotional burden of raising a child with special needs or a child who was low birth weight to begin with, the additional appointments, the lost work time—all of that you have to take into account.

**Ms. Jan Silverman:** I also wanted to add—I'm both an infertile woman and a fertility counsellor, and I sat on the expert panel as well—that you're absolutely right. My patients are absolutely delighted to hear that they are pregnant with twins. But a lot of that is exactly what we're talking about. They're delighted to hear they're having twins because for them this means, "Oh, my God. We have spent so much money. We are never going to be able to have money again to do an *in vitro* process. So, yes, now we can complete our family."

We would rather see single embryo transfer. We'd rather see one good embryo put into a woman, resulting in the birth of one child, with, hopefully, a frozen embryo, such that they can go back and complete their family by two singletons, as opposed to the elation of never having to spend money again and challenge how much it may cost them by increased costs later down the road.

**Mr. Shafiq Qaadri:** So that's the extension of the one-child policy. Fair enough.

In the desire to provide infertile couples with kids, would you support or should the government start look-

ing at broader support of things like surrogate motherhood, which, by the way, as you know, exists on a very widespread basis, especially in the countries that you've just cited?

**Ms. Jan Silverman:** I'm sorry. Should we support—

**Mr. Shafiq Qaadri:** Should the government support surrogate motherhood or begin, for example, looking at convening research on surrogate motherhood?

**Ms. Jan Silverman:** Absolutely. Surrogate motherhood, in addition to egg donation, sperm donation, is very much a part of the infertile person's world. We would very much welcome a fair analysis of how we could have best practices in all of those areas. Again, our goal is to achieve families for all Ontarians. For some, surrogacy is the option, and we'd like to see it done as healthy and as properly as possible.

**Mr. Shafiq Qaadri:** With that, I'd like to thank you as well, as the Chair is about to do.

I have to ask: Is it a Michigan or New York accent that we're hearing?

**Ms. Jan Silverman:** Oh, goodness. I was trying so hard. It's New York. I've been here for 37 years.

**Mr. Shafiq Qaadri:** I had to ask. I could hear it. It's only every 10th word. That's fine.

**Ms. Jan Silverman:** Good for you.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much for coming today, Paula and Jan.

#### DIETITIANS OF CANADA

**The Chair (Mr. Kevin Daniel Flynn):** We're moving on to the Dietitians of Canada. Leslie, come and have a seat. Make yourself comfortable. You have 15 minutes. Save some time for questions, if you can. This time the questions will be coming from the Conservative Party. It's all yours.

**Ms. Leslie Whittington-Carter:** Thank you very much. Good afternoon. My name is Leslie Whittington-Carter. I'm the Ontario government relations coordinator with Dietitians of Canada. We're the professional association for registered dietitians in Ontario, and we have about 3,000 members here in the province and a little over 6,000 across the country. Our vision is advancing health through food and nutrition, and we accomplish this by providing trusted nutrition information to Canadians and advising governments at all levels on best practices and nutrition policy.

1430

Today, I'd like to highlight some of our recommendations for you. The committee will be receiving our entire written submission electronically, which provides additional evidence and background, but I'd like to run over some of the highlights this afternoon.

The underlying theme of all of our recommendations is access: access to credible nutrition advice, provided by registered dietitians, and access to healthy foods for all Ontarians.

Registered dietitians continue to be the most trusted source of nutrition information, according to Ipsos Reid's

consumer surveys, because dietitians must complete rigorous training and practical training and education to be eligible to write the Canadian dietetic registration exam, and then they must maintain ongoing competency requirements through the College of Dietitians of Ontario. So our recommendations align with DC's commitment to ethical, evidence-based practices.

Our first recommendation: In order to support access to registered dietitians, we need to make sure that there are sufficient numbers trained to replace impending retirements and to ensure capacity to meet population needs. We thank the committee for including this recommendation in previous years' reports to act on this shortage.

The Task Force on Dietetic Education and Practical Training provided recommendations built on a strong foundation of collaboration between the profession, the educators and the regulatory bodies. The government's decision in 2012 to reject our recommendations should be reviewed. Currently, some programs in the province are moving forward with components of the proposed plan, which will provide some increased training opportunities but not the coordinated approach that was recommended in our task force report.

Evidence shows that access to dietetic services is not currently meeting needs. For example, the Public Health Agency of Canada's 2011 report on diabetes showed that only about a quarter of patients with diabetes have seen a dietitian. Given the importance of nutrition counselling in diabetes management, and recommended by the clinical practice guidelines, it appears that either the health system is not connecting these patients with the appropriate care or that the shortage of dietitians is preventing adequate care.

More evidence of inadequate access to dietitian services is found in the results of the 2013 Canadian physician survey. Overall, 40% of Canadian physician respondents felt that access to dietitians was unsatisfactory. In Ontario specifically, that rose to 43%, which was the second-highest province, so physicians feel that there is not adequate access to dietitians within this province, and more generally across the country.

Our second recommendation around access is to continue funding for the EatRight Ontario dietitian advisory service. This service is funded by the Ministry of Health and Long-Term Care and operated by Dietitians of Canada, and provides Ontarians with free access to registered dietitians through telephone, email and website support. Evaluation has shown that consumer satisfaction is very high and that almost all of the users report acting on the information they received to make healthier food choices. This service is especially important to provide nutrition information to users who cannot access dietitians in person and to connect people with programs and resources in their own communities.

EatRight Ontario also has the infrastructure to provide support for implementation of provincial policy and programs, and this has been demonstrated through the School Food and Beverage Policy, as well as, more

recently, through the Fresh from the Farm: Healthy Fundraising for Ontario Schools program. We believe that EatRight Ontario can play an even greater role in program and policy support, such as supporting the implementation of recommendations of the Healthy Kids Panel and the Seniors Strategy.

Our third recommendation to improve access to dietitian services is in home care. The commitment to aging at home has led to targeted funding for some services; however, most therapy services, including dietetics, have seen decreases in referral rates through the CCACs, which leads to individuals not receiving the care they need. Service provider agencies have difficulty retaining qualified professional staff due to the inconsistency in work available.

In 2012-13, only 0.15%—so about a tenth of 1%—of home care visits were for dietetic and nutrition services. Overall, there were 10,000 fewer dietetic services referrals in 2012-13 than there were in 2008-09, so over four years, 10,000 fewer dietetic referrals. All therapy services in the home care system had significant declines over this time period. Given the importance of nutrition in recovery from acute episodes and in managing the effects of chronic disease, it's therefore very likely that many home care clients that need dietetic services are not receiving them. Nutrition services delivered through the home care system will help to maintain independence and manage health conditions. Targeted funding to enhance therapy service delivery in home care is needed, and support for a true interprofessional approach to care.

Many consumers and health professionals assume that there is good access to dietitians within the acute care sector. However, recent work by the Canadian Malnutrition Task Force found that only half of the patients in the hospital who are malnourished, according to standardized assessments, are referred to the dietitians for intervention. This large study also found that almost half of patients admitted to hospital are malnourished, and these malnourished patients have longer lengths of stay and are more likely to be readmitted within 30 days of discharge.

Given the prevalence and effects of malnutrition, adequate staffing and leadership for registered dietitians in hospitals is very important, and yet some hospitals have downsized clinical nutrition services. The senior-friendly hospital report indicated that hydration and nutrition protocols within hospitals and monitoring procedures were not commonly in place, putting patients at significant risk of functional decline, increased length of stay and higher readmission rates. Capacity for nutrition services within acute care must be maintained to help correct these issues, as well as to support transitions from other sectors.

Improving access to dietitians enables individuals and families to improve their health. However, it's also important that all Ontarians have access to healthy foods in order to act on the advice the dietitian provides. The social assistance review demonstrated the importance of food security issues, and we continue to reiterate the need

to consider the actual cost of purchasing food in specific regions when setting social assistance rates. Public health units around the province collect this data annually, using a defined protocol known as the Nutritious Food Basket. It consistently shows that many social assistance recipients are unable to afford the cost of a healthy diet, despite increases in social assistance rates in 2013. Nutritious Food Basket data should be used on a regional basis as the starting point for a food component of social assistance rates.

The final recommendation from our organization is the development of a comprehensive and coordinated food and nutrition strategy for Ontario. There are many worthwhile initiatives under way across the province but we are lacking an overarching strategy that provides measurable goals and objectives and strong leadership. The Ontario Collaborative Group on Healthy Eating and Physical Activity has developed a background paper and priority recommendations for such a strategy, and DC supports this as a means of improving health through nutrition. There has been extensive work and multi-sectoral engagement on the draft strategy to date, but commitment and resources to move forward and adopt specific measures are needed. Given the importance of nutrition in relation to chronic diseases and conditions that impact the province's health care system and economic productivity, we urge the government specifically to analyze policy for its impact on health and to begin working toward a coordinated food and nutrition strategy for Ontario.

Thank you for your attention, and I'd be happy to answer any questions.

**The Chair (Mr. Kevin Daniel Flynn):** That's pretty good time management. It's five minutes and one second left for questions.

**Ms. Leslie Whittington-Carter:** That's what I was aiming for.

**The Chair (Mr. Kevin Daniel Flynn):** Mr. FideliÉ

**Mr. Victor Fedeli:** Thank you very much, Chair, and thank you very much, Ms. Whittington-Carter. I appreciate your presentation. I'll ask, first, are you going to be able to supply us with a printed copy of the presentation?

**Ms. Leslie Whittington-Carter:** Yes, that will be coming electronically prior to the deadline.

**Mr. Victor Fedeli:** Okay. Thank you very much, because I do want to share that. I found it quite interesting.

If you went sort of off-script for a few minutes and if we had a chat about what the three things are that we really should be looking at doing, whether they were included in yours or not—if you really did have the ability to snap your fingers and fix a couple of things, what would you want to see us do right away?

**Ms. Leslie Whittington-Carter:** The point about access, I think, is very much what we need to fix. It has so many components to it, that it's beyond the magic three, but certainly I think that access across both the health promotion and—as I mentioned in the report, we've got the acute care sector, we've got home care,

long-term care. Ensuring that access for that specialized nutrition expertise in all areas of health promotion and the health care system is very important.

The other thing: I made a slight reference to the School Food and Beverage Policy and the Healthy Kids Panel report, and to sum that up would be around making the healthy choice the easy choice when it comes to food and beverage choices for Ontarians.

1440

**Mr. Victor Fedeli:** Education—are you the one with the hammer or the one with the kid glove?

**Ms. Leslie Whittington-Carter:** Could we say a carrot or a stick? Is that—

**Mr. Victor Fedeli:** You could use it that way.

**Ms. Leslie Whittington-Carter:** We'll use a carrot because we're talking nutrition here.

**Mr. Victor Fedeli:** I'm reading what's been happening in the state of New York quite recently with the Slurpees or the large beverages that are outlawed and that kind of thing. Where do you come in on that? Where do you really feel we should be handling that?

**Ms. Leslie Whittington-Carter:** Where we really come in is we want to use the best available evidence to make sure that public policies are truly making a difference in the intake and overall health of the population. We really recommend a strong, comprehensive evaluation component being implemented with any sort of policy. We're talking about menu labelling within the province now. We're talking about the School Food and Beverage Policy. So a really strong evaluation component and a willingness on the part of government, if it appears that a policy, through their evaluation, isn't meeting the intended outcomes, to revisit what will make it better, how we will achieve those recommended outcomes.

**Mr. Victor Fedeli:** What about taxing the junk? Where do you come down on that one?

**Ms. Leslie Whittington-Carter:** There's a whole lot of evidence on both sides of the issue, because, of course, it depends on what data you choose. Based on our analysis of the evidence, there isn't, at this point, a strong rationale for taxing. It tends to provide a somewhat limited return on investment or changes in behaviour, so to speak, and it has in some cases been shown to be regressive: having disproportionate effects on more vulnerable portions of society. As with any projected policy, it's important to look very closely at the evidence and what the unintended effects may be as well as those effects that may be more easily found.

**Mr. Victor Fedeli:** I am from northern Ontario, so I like to spend some time talking about particularly the Far North, where we have a lot more First Nations as well. Is there anything in particular you wanted to discuss with respect specifically to First Nations?

**Ms. Leslie Whittington-Carter:** As you well know and I'm sure the rest of the committee knows, there is a disproportionate amount of health-related conditions. We actually have a position paper from Dietitians of Canada on nutrition services in aboriginal health, and I'd be

happy to send that to you. Basically, the crux of the matter is to provide targeted and comprehensive services that are tailored to that particular user group.

One of the ideas that we have floated and have been thinking about making a formal proposal for is an East Right Ontario specific to the aboriginal population, because obviously there would need to be some changes there. We've already got a number of our services and resources translated, but to do a better, more comprehensive job of that for the aboriginal population.

**Mr. Victor Fedeli:** Can we ask, Chair, that that copy be forwarded to the Clerk and then distributed to the members?

**The Chair (Mr. Kevin Daniel Flynn):** It will be done.

Thank you, Leslie, very much for coming today.

**Ms. Leslie Whittington-Carter:** Super. Thank you so much for your attention.

HOLLAND MARSH  
GROWERS' ASSOCIATION

**The Chair (Mr. Kevin Daniel Flynn):** Staying with the food issue, we've got the Holland Marsh Growers' Association next. Jamie? Have a seat. Make yourself comfortable. You have 15 minutes; use it any way you see fit. If you could leave a little bit of time at the end, the NDP may have some questions for you.

**Mr. Jamie Reaume:** Oh, it's the NDP again. Okay.

**Ms. Catherine Fife:** Hey.

**Mr. Jamie Reaume:** I didn't say a word. You're my MPP. I can't say anything.

**The Chair (Mr. Kevin Daniel Flynn):** The floor is yours.

**Mr. Jamie Reaume:** Good afternoon. As you're getting printed copies, I will tell you this: I'm assuming you can all read English; therefore, I'm not going to read my presentation. It's pretty straightforward, what this is about. While I appreciate committee meetings and the opportunity to do this, I think we need to get down to the brass tacks of what's going on.

It's excellent that we had the nutritionists in front of us. My guys in the Holland Marsh are part of the Fresh from the Farm program. It was a program based out of Manitoba, through Peak of the Market. We're very big on education; we're very big on getting the message across, but more so, we're also very big on the fact that farming is really the answer to the health care concerns. We make no bones about it that the consumption of fruits and vegetables, whether fresh or processed, is the answer to what's required. I'm not going to get into a debate about how it's grown; quite frankly, I really don't care how it's grown. What I do care about is whether or not it's safe, healthy and nutritious. Ontario farmers do that every single day that they're out there.

Part of the issue, though, as you look through the submission that we've given, is that we're going to talk about regulatory regimes. We're going to talk about the fact that I deal with virtually every ministry out there, as

the Holland Marsh Growers' Association, except for three of them: government services with John Milloy; I don't deal with francophone because, frankly, I have Dutch and Portuguese and Asians and I'm the only French guy who's up there, and they can't pronounce my name anyway; and correctional affairs, yet we want to get into correctional affairs because we see that as another step of what's missing with what's there, which is the procurement.

The Ontario procurement process is nothing short of stagnating for Ontario farmers: seven- and 11-year contracts that are drawn up so that countries are able to bid on them, where they have full-time people doing this. If you were to go to a farmer anywhere, regardless of whether it's the Holland Marsh or anywhere throughout Ontario, and ask them what MERX is, they wouldn't have a clue. They'd think it's a short form for "mercury" because that's something that they have to test for in their water and make sure everything is okay.

In other words, I deal with basically 23 ministries. I always laugh about the fact that I deal with 23 provincial ministries, 14 federal ministries, two conservation authorities, one county and one region that really don't get along very well, five municipalities, and I have a myriad set of regulatory regimes that we all have to fall under. That is very hard for the farmers. If you add in my other role as chair of the Ontario Food Terminal Board, then it becomes somewhat more problematic because I actually work for the entire value chain.

Anything that we preface here is based upon the fact that farming and agriculture are the things that we rely on most. We've been challenged to double the gross domestic product for farming and agriculture. We can do that. I have no problems with that. But there are going to be issues that are going to stand up in front of us. They're societal issues that we always forget about. I was once told by a very high-ranking Premier at the time that legislation is for the good of society but sometimes people fall through the cracks. Generally, what happens is it tends to be the farming community that falls through the cracks.

When you look at the Clean Water Act, that's a good piece of legislation, and yet it's the farmers who are going to be impacted. If you look at the upcoming Great Lakes protection plan, we've already lived that with the Lake Simcoe Protection Plan. I can tell you it was the farmers that got caught in the middle of that one.

We are not objecting to clean water; in fact, we should be celebrating the fact that we have clean water. We're not in Virginia right now; we're not in California, where they don't have water to talk about. We're not in a lot of other countries where they don't have the access to it either because of distribution or because of the way that the climatic situation has changed for them. We should be revelling in the fact that we have it. But the burden shouldn't only be placed upon farmers at this point.

If we look at that, that's the number one thing, because rules and regulations and a review of everything that impacts upon them—and quite frankly, gentlemen and

ladies, I can tell you every single piece of regulation that does impact upon you. That's what we need to look at: How can we streamline?

Farmers, at the end of the day, are price-takers. They will never, ever be able to raise their prices by 10 cents or 25 cents to offset any of the costs that are coming through because there is almost a monopolized system with the retailers. The retailers are going to say, "Well, just because your minimum wage is going up doesn't mean we can raise the price of food." They don't do that. We don't have that option. But where we can save is the efficiencies and development of the system behind the farmers that takes away some of the costs that are already being borne by them.

**1450**

I'm not coming to this committee and I'm not coming to this government for dollars. I'm not. I have put down six requests; five of them require not one iota of a dollar—not one. The sixth one, in the conclusion piece, looks at a research and innovation fund that ties in, ironically enough, with the dietitians, the nutritionists and what we're trying to do, which is that we're trying to build a healthier society. That's one where we said we should be proactive and take 2% of the provincial budget and be proactive about how we look at it and put that aside to develop products that have omega 3 or any of the other health benefits that can go with it. These are important aspects to what's there.

I'm going to be quite frank with you. I'm approaching 50. My generation is screwed. We're done. I don't care what anybody says. Our health issues are going to be there. We're not going to change our diets. I want the kids, and so do the farmers. We want future generations. We want to develop a future generation that's both healthy and knows where their food comes from, and that, ironically enough, is where we lack in what we do, because we don't talk about how good a story we have in agriculture. We don't talk about how good we have it, and we don't talk about the partnerships that we have built to be able to do the stuff that we've done.

The clerk—sorry, I missed your name there—that grabbed the box from me: There are six movies in there included. I didn't have enough to do it because I have another function after this, but there are six movies. It's a documentary. The basis of what we're going to talk about is the fact that we not only have challenges but we have solutions. That's what the documentary says, and it's from the farmer perspective. It is strictly from the farmer perspective. It helps connect that so-called urban-rural divide. And while there is a mythology built around it, we don't think that we're there. The Holland Marsh is actually Toronto's backyard garden.

I've had words with former Minister Cansfield on this one, and we are in agreement. Sometimes there are rules and regulations that don't make sense. It's easier to eat carrots than it is to eat bulrushes, and yet we still have some areas of the province that have five and six pieces of zoning legislation that go across them. I had to deal with one issue in a 75-foot span that had five different

pieces of legislation that prohibited the farmer from doing one simple thing: an expansion on his barn. That's outrageous, that's costly and that's a fee that they can't continue to do.

These are the reasons why I sit before this committee, fully aware of the fact that we've done this for the last six years. We've been actively engaged in written and oral presentations, and we talk about this all the time. What we're asking for is, at some point, the political backbone to say, "Farming and food are vital to the province." This is an issue where we can all sit there, whether holding hands and singing Kumbaya or crossing the floor and being non-partisan about it, because when a population can't feed itself, they can no longer call themselves a nation.

With that, I think the NDP has some questions for me. But if you have any questions on the food terminal as well, fire away.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Jamie. Catherine? Michael?

**Mr. Michael Prue:** Let's start with the food terminal. Go ahead.

**Mr. Jamie Reaume:** I have to deal with 1960s legislation. I believe that it's 2014. I may be wrong, and I may have stepped backwards at some point, but 1960s legislation, if I was to enforce it in the way that the chair is supposed to, would mean that I'm not allowed to sell flowers at the terminal, even though that is one of the biggest sellers in the months of April, May and early June. It's because the farmers have grown and adapted to what was there.

In addition to that, I'm in a city just north of Toronto. Nobody saw Toronto growing out past that. Quite frankly, I'm not looking for the army to come in and help me shovel the driveways for it; I don't need that. I'm looking to be able to upgrade my legislation so that it is reflective of the 21st century, of the year 2014, so that my buyers, my sellers, my farmers, have a greater access.

My mandate, crystal clear, from every party was to move more Ontario product through it. That's what we're doing. When you have a million tonnes of food that runs through one—one—distribution hub, that's a major player within the province and in this nation.

**Ms. Catherine Fife:** Thank you very much, Jamie. I think you're a little shy, though, when you're coming here.

**Mr. Jamie Reaume:** I know.

**Ms. Catherine Fife:** I know.

You've said that for six years you've come to the finance committee. We now have the Premier herself as the Minister of Agriculture. You've indicated that bureaucratic red tape—and it is extensive and layered—is ongoing. When you sit down with the Premier—I know that you've had meetings. The government can move this forward. The NDP and even the PCs agree on this. I mean, it's not just political will, is it?

**Mr. Jamie Reaume:** No, sometimes it's very difficult to make people understand that a piece of legislation written on behalf of the whole is sometimes problematic for the minority.

Now, I will be honest—again, I've told you I am one of your constituents. While I work in the Holland Marsh and deal with everything, I'm a cityite. I'm not a farmer and I don't have back acreage; I just represent these guys because I can translate their lingo into government lingo and government lingo back out. That's a difficult aspect that they don't even view. Have we had talks? Yes. Is it slow? Yes, but everything is slow. The one thing that we have learned about it is that it doesn't move quickly.

I can sit here and talk about MTO, MOE or about environmental taxes that are placed on farmer tractor tires that are really costly. I've just had one of my guys put on six tires, and it cost him \$1,400 for the fee. I'm not disagreeing that we have to do something with our waste; we never do. But with farmers, they do not waste their tires. They use them inside their fields again after they're done. There almost has to be sometimes a separation of church and state in the understanding of this unique group, and they don't have a strong voice. When you're 1.4% of the population you can't go back to the government and say, "We're vitally important and we should be there." What should be remembered is that we're the providers of 730,000 jobs in Ontario.

As I stipulated inside the report that I've written, everybody talks about the loss of Heinz and the 500 jobs that went with it. Yes, it's tragic, but you know what? Anybody watching US politics would realize they're starting to roll up the streets and they're starting to put in the perimeters, and we're going to be looking at some trade impediments that go forward. What they didn't talk about was that for every job lost at Heinz there are seven jobs in the community that were directly impacted by that. They didn't talk about the 15 guys that were actually laid off the next day in the labelling company. Those are things that we don't talk about.

**Ms. Catherine Fife:** One of the key factors that you referenced in your original comments was our procurement strategy. We need to start buying our own food.

**Mr. Jamie Reaume:** See, I'm friends—I say that with some chagrin—with the former Speaker of the House, the mayor of Queen's Park, who struggled mightily to be able to provide local inside there.

I believe that government has a role in that they provide leadership from the top down. You can't pick winners and losers—you can't. That's just not something that you should be involved with, but I believe that you can bring it down, and if people see that you're doing this and see a change in how the attitude is, then people are more reflective of what's there. The businesses tend to follow with that afterwards as well. The procurement issue is huge. I can provide the second carrots. I can go into an Ontario jail with it's, I think it was \$23-million foodstuff. I can use every one of those 23 million dollars and provide Ontario product in there. More so, I can also have it so that if we have chef schools set up inside there, there's a career for people coming out. I know at the terminal, I actually have a lot of these people that were in prison and are now working at the terminal. They're not problematic; they just needed that one benefit to go through it.

**Ms. Catherine Fife:** Thanks for the clarity on the procurement. That's good. That's what I wanted to hear.

**The Chair (Mr. Kevin Daniel Flynn):** Yes, perfect. Thank you very much for coming, Jamie. We appreciate it. We've distributed your movies—one to each of the caucuses—and we'll make sure all the members get a copy.

**Mr. Jamie Reaume:** Not a problem. Nice to see you.

#### WILFRID LAURIER UNIVERSITY

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation this afternoon is from Wilfrid Laurier. Max, good to see you again. Have a seat and make yourself comfortable. You have 15 minutes. Use it any way you see fit. If there is any time for any questions at the end, it will come from the government side.

**Dr. Max Blouw:** Thank you very much, Mr. Chair. It's great to see you again. Thank you all very much for this opportunity to address the committee this afternoon. With me is Brian Rosborough, who is the senior executive officer of the Laurier Brantford campus, so my equivalent on the Brantford campus.

1500

For your information, a written submission will be following this presentation, prior to the 23rd. I think that's your deadline.

Wilfrid Laurier University has deep and proud roots in this community and this region. Laurier does a superb job of undergraduate education, emphasizing development of the whole student, and we produce well-rounded, highly engaged graduates as a result of the high-quality programs that we offer.

We also play a strong role in the wider Kitchener-Waterloo region as an economic driver and as a key source of business talent for the many companies in this area, from the smallest start-ups to the major financial giants.

In 1960, we spun off a highly successful new university, the University of Waterloo. In 1999, we expanded our operations to build a thriving campus in the city of Brantford.

Our Brantford campus has transformed that city. It has served as a catalyst in the conversion of the downtown core from a derelict status to one of new shops, restaurants, services and a soon-to-be-built \$60-million joint athletic centre, which we are building with the YMCA and with provincial contributions.

Most importantly, Laurier Brantford is now home to about 3,500 students—larger than some maritime universities—enrolled in high-quality programs in what was once an underserved part of the province. These students are a talent pool in the community for future prosperity. Many of them will make their homes in Brantford and the surrounding region and contribute to the vitality of that community going forward.

Last year, my university indicated to this committee that further expansion of this innovative multi-community, multi-campus model of a modern university is

our highest priority going forward. I emphasize to the committee that the Wilfrid Laurier satellite campus university in Milton, Ontario, is the Laurier of the future. My intention today is to further reinforce this point with you and to ask you to lend your support to the request for provincial approval of a Milton campus.

Laurier has been advancing the idea of a campus in the community of Milton for the past six years. A group from Laurier, the town of Milton and key partners in the community and region have been engaged in preliminary planning for the campus and also for the community that will surround the campus. So it's integrated planning of university with community.

We strongly welcome the 2013 fall economic statement, which referenced the government's desire to move forward with a new satellite campus policy across the province, and the Ministry of Training, College and Universities released that satellite campus policy, a framework for infrastructure, in December 2013.

The proposed Milton campus will leverage innovative partnerships for the benefit of students, the community, Ontario's wider post-secondary system as well as the local, regional and provincial economies. Investment in a Laurier Milton campus will bring post-secondary education to Canada's fastest-growing community. That's Milton. A Milton campus will create a hub for new economic innovation and entrepreneurship and capitalize on a unique partnership that leverages community, academic and private sector resources and investment in the Ontario PSE system.

Our proposal is to build a deep green leading-edge campus that will provide local, commuting and residential students with access to programming focused on excellence in teaching and learning. We are proposing initial construction of campus facilities to support approximately 2,500 students, primarily undergraduate, with a few select graduate and professional programs.

A satellite campus in Milton will offer a full range of ancillary and student support services, just like on our other campuses, but, of course, scaled to suitable size as the campus grows.

Laurier's Milton campus can meet increased GTA enrolment consistent with the province's PSE system and broader growth needs and with potential enrolment of 10,000 to 15,000 students over time. Initial enrolment could begin as early as 2014 in temporary space.

The 150-acre Laurier Milton campus will be the centre of a 400-acre Milton Education Village that the town has identified and for which planning is very well advanced. The Milton Education Village is the name of that development, and it will be a purpose-built, fully integrated neighbourhood of multi-level education, research and commercialization, and complementary residential and commercial development and amenities.

I'm pleased to say that land has already been secured as a municipal contribution. Land use planning is well under way, and infrastructure servicing has been secured as well. These are costs that have been covered already by the partners. As a result, the project can proceed to the

planning, design and program development phase as soon as provincial support is announced and adequate start-up funding is provided.

The academic buildings of the campus will be developed on a 50-acre parcel of land, and the university will be the steward of an adjoining 100-acre natural laboratory of protected escarpment lands that can be used for aboriginal and other ecologically sensitive programming. Non-academic buildings can be situated on adjacent lands—in other words, not on the 50- or 100-acre parcel—and developed in partnership with the private sector.

Laurier's Milton campus will meet the needs of prospective students from Halton, Peel and the surrounding area, and be accessible for commuting students from other parts of the GTA. We have strong support from the town and from Halton region, and the business community highlights the extraordinary potential for an innovative partnership between Laurier, Milton and the partners in the education village. In fact, the value of donated, fully serviced land reflects an estimated direct contribution to the project valued at approximately \$50 million.

The Milton campus is integral to Laurier's long-range capital and academic plans and their proposed strategic mandate agreement with government. Consistent with our SMA—the strategic mandate agreement proposal—programs at the Milton campus would focus on water, environment, sustainability and urban studies, and be linked to green-tech/clean-tech innovation in a technology park.

These areas of focus would be built on a strong foundation of liberal arts, science and business offerings, with the objective of adding select professional degrees, beginning with a master of education, and niche graduate programming—not wide-ranging, but a very clearly focused graduate program—to support and enable research-informed engagement with issues of environment, sustainability, urban development, green tech and clean tech.

The new campus will also be connected to the demonstrated leadership in the commercialization of technology and innovation in financial services for which the university is very well known. The potential college campus would be an ideal partner within the Milton Education Village to better meet the dynamic needs of post-secondary students choosing Milton as a learning destination.

Sheridan College is a signatory to our MOU with the town, and it, indeed, is optimistic about partnering with us. Laurier is one of Ontario's fastest-growing universities, and we'd love to service one of Ontario's and Canada's fastest-growing communities.

I'm going to close by indicating that we believe that our campus in Milton will play a pivotal role in Ontario's post-secondary education system. It will provide a showcase for environmental sustainability and offer teaching and learning that meets the demands of students in the GTA. Laurier Milton will help to ensure that

Ontario's post-secondary graduates are prepared to lead Ontario's new economy innovation. It's an investment in Ontario's future that should not be delayed any further.

Once again, I thank you for allowing me to make this presentation to the committee. Again, a written submission will follow that reinforces these points.

I'm happy to take any questions that you might have.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Max. You've left about four minutes. Vic?

**Mr. Vic Dhillon:** Thank you, Chair. Thank you very much for your presentation.

Minister Duguid announced today Ontario Online. Are you aware of that?

**Dr. Max Blouw:** Yes, I am.

**Mr. Vic Dhillon:** Just because it was announced today. What benefits would this have on students?

**Dr. Max Blouw:** Yes. Online education is yet another way to bring education to students, particularly students who are place-bound—in other words, can't travel to a campus—or students who are more mature, perhaps in the workforce, who can take courses online that will enable them to advance their education while at the same time having other commitments in their lives.

## 1510

For younger students, those directly leaving university, many of those students will continue to choose to attend universities in person, but even those who are attending in person, quite a number of them are working to help them pay for their university experience, and many of those students, in order to free up their time a little bit, will take, for example, four courses in person and one course online to give them a bit of additional flexibility.

I believe the announcement by Minister Duguid for a centre of excellence focusing on three areas of online learning is a very, very welcome one. I was part of the group that actually incorporated ONCAT, which is the credit transfer agency which is integral to online education, and I very much support this direction.

**Mr. Vic Dhillon:** And what's the status on university pensions? How do you think government can help in regard to this?

**Dr. Max Blouw:** University pensions, like pensions in much of the rest of society, are a challenge. Quite frankly, there are a number of things that we've been in discussion with government about. One is solvency relief, the issue of institutions like universities becoming insolvent. It's not very likely. We have assets in the case of insolvency that could be liquidated to meet pension obligations if an organization were in a deficient position at the time of insolvency. That's one approach but it is not one that we have heard a great deal of enthusiasm for.

I should indicate that the Council of Ontario Universities, of which I am chair, has a working group which is working with our labour unions as well as with government to identify other ways of moving forward, perhaps mingling our funds, having a joint pan-university or multi-university investment fund for one approach.

Another one would be a joint sponsorship approach. In other words, a 50-50 responsibility for pension plans.

A lot is under discussion, but like so much of the pension world these days, there are no very simple solutions to be found.

**The Chair (Mr. Kevin Daniel Flynn):** There's about a minute and a half left, Donna.

**Mrs. Donna H. Cansfield:** Thank you. I just wanted to say that I like the concept that you've brought forward, the idea of developing a university with the concept of sustainability. I can't think of a better place than Milton because of the biodiversity of the escarpment and your ability to attract people probably from around the world to come and be a part of a whole new approach to teaching.

Having been involved, like Catherine, for many years in the teaching profession, it would be an absolute joy to be able to produce a teacher who understands that concept of sustainability and how it weaves through virtually all of the disciplines. So kudos to you for thinking about this and I wish you great success.

**Dr. Max Blouw:** If I may be permitted a comment, the location, in fact, inspired some of our thinking about the academic programming, so I think you're absolutely right. It's a stunning location.

Secondly, sustainability is all about trade-offs. There are no right answers in sustainability—economic sustainability, environmental, cultural. There are no absolutely right answers. Teaching sustainability from the perspective of tension between differing viewpoints and understanding that values underpin all concepts of sustainability is really critically important, and we would welcome that.

Finally, we hope, in building a great deep green campus, that all buildings would be instrumented so that students could actually use the buildings, tweak the buildings, as educational tools so that they could see the effects of different approaches to building design and building operation.

**Mrs. Donna H. Cansfield:** Well done.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you for coming today, Max. Brian, good to see you again.

**Dr. Max Blouw:** Thank you very much, Mr. Chairman. Great to see you and all the members of your committee.

## REGIONAL MUNICIPALITY OF WATERLOO

**The Chair (Mr. Kevin Daniel Flynn):** The regional municipality of Waterloo: Mr. Seiling. Ken? There you are. Come and make yourself comfortable. Have a seat. You have 15 minutes like everybody else. If you want to save a little bit of time at the end, the Conservatives will be doing the questioning this time.

**Mr. Ken Seiling:** The grilling.

**The Chair (Mr. Kevin Daniel Flynn):** The grilling.

**Mr. Ken Seiling:** I only found out late Friday that we were here today, so this is a bit of a scramble to put something together.

**The Chair (Mr. Kevin Daniel Flynn):** The time is yours.

**Mr. Ken Seiling:** I'll start into it. It's a bit of a mix. I think you're getting copies of it.

Thank you for the opportunity to appear before the standing committee today and talk about the budget. As you know, the region is rapidly growing. We're growing by about 9,000 to 10,000 people a year. We continue to grow rapidly. We're seeing major changes here, and our population is approaching about 560,000 as we speak.

The economy continues to do reasonably well. Although there are some local challenges, as you are aware, the economy still does reasonably well, and our GDP is continuing to grow. Because of that, we actually see that the region of Waterloo is an important part of not only the Ontario economy but the Canadian economy. It's one of the growth areas, the ones that I think both levels of government need to look at in terms of the ability to help drive the larger economies. Therefore, I think that the success of Waterloo becomes the success of the province and the success of the country. We look at it that way.

Our unemployment rate is slightly less than the provincial unemployment rate, but we are finding stubbornly high numbers of people in terms of the rolls and social assistance that we have to deal with in this region. My comments today, because it's on such short notice, are really going to deal with some hard services, but also human services, because I think a successful community deals with both sides of the equation, not just hard services.

The first one—and you'll hear later on, following me, I think, from the city of Kitchener, who have a rather interesting proposition on GO Transit—is speaking about rail services. The province of Ontario, Waterloo region and other communities in southern Ontario would benefit significantly from the provision of improved passenger rail service. Current service levels are minimal or nil and do not encourage potential passengers to use the service regularly, particularly the Via service.

Inter-regional passenger rail service is essential transportation infrastructure, serving not only the region of Waterloo but the whole area, from here and to the west. The 2011 Transportation Tomorrow Survey estimated that, on a daily basis, more than 27,000 people travel from the region to the greater Toronto and Hamilton area, and over 18,000 people travel from the GTA to the Waterloo region.

These ties are vital for local businesses, as, for example, Waterloo region's tech sector requires its workforce to travel easily to and from the GTHA. Locally, we continue to experience approximately 1,000 unfilled positions in our tech sector, a major reason being the lack of a convenient inter-regional passenger rail service.

Metrolinx has proposed its next wave of transit priority projects in the GTHA, an update to its 2008 regional transportation plan called the Big Move. Unfortunately, there is no clear advancement of projects related to Waterloo region in this update, other than the

electrification of the Kitchener line between Brampton and Union Station.

All of the transportation projects proposed in Metrolinx's next wave of projects are important initiatives that will help strengthen the transportation network around the GTHA. However, the province needs to better recognize that passenger rail projects outside of the GTHA are equally important to the provincial economy and should move forward in concert with the GTHA plans.

Congestion on provincial highways extends further from the GTHA each year as more and more people and jobs locate in the GTHA and surrounding urbanized regions. Our local members find that, I think, in terms of their travel back and forth, the backups are getting further and further out from the city.

The benefits of improvements in passenger rail service on the Kitchener line, and extension of service to Cambridge along the Milton line, are significant. In addition to improving connectivity between the growing economies of the GTHA and adjacent regions, it would also provide broader provincial benefits, including:

- reducing traffic flow and less future congestion on the busy 401 corridor, helping the movement of goods and services;

- potential postponement of some of the needs to widen the 401;

- strengthening the economic contribution of Waterloo region to the provincial economy by providing access to a broader labour market, particularly in the high-tech sector—you'll hear from the city of Kitchener in their presentation following me; and

- other environmental benefits, greenhouse gas emissions, pollutants and collisions.

We believe that the provincial budget should signal the government's intent and set out a funding plan to advance passenger rail projects outside of the GTHA. For the region of Waterloo, this would mean a firm commitment to advancing the following improvements in the near term:

- two-way peak-period rail service in the morning and afternoon, and service expansion to four trains each way between Kitchener and the GTHA, as originally planned;

- the start of passenger rail service to and from the city of Cambridge along the Milton line;

- track infrastructure improvements for the North Mainline and the Milton line to reduce travel times and improve reliability; and

- the implementation of full-day service between Kitchener and the GTHA.

Another important area for us: As some of you are aware, we are in the midst of awarding a contract very shortly for our rapid transit project, and there is a review of the development charges system in Ontario.

**1520**

As you're probably aware, the current Development Charges Act is stacked against future rapid transit projects. It places limits on the municipality's ability to

recover growth-related costs through development charges by excluding ineligible services, placing limits on cost recovery, establishing service level caps and mandating exemptions. Since that time, municipalities have faced increasing pressure to fund the replacement and rehabilitation of existing aging infrastructure through the tax rate and user rates, placing an unfair burden on local taxpayers.

The region has focused its discussions with provincial officials on the development charge issue in recent years to the challenge of funding our light rail transit project. We have consistently requested the same amendment to the Development Charges Act, 1997, that was provided to Toronto and York region. They did receive favoured status on this and got the extension—at the tail end of the budget bill, I should add; that's how it was done. It was given to their project. We estimate that this would enable the region to recover up to about \$70 million of costs of the LRT project from the development charges.

Without the amendments, the region will not be able to recover any of the LRT costs through development charges, even though the project is very much related to current and expected growth in the community.

Indeed, the region supports the extension of this approach to all transit projects in Ontario. We have worked with the city of Ottawa, who are also in the same position as we are, wanting that extension of the policy, because it supports provincial policies in the Places to Grow plan and may also help defer the need for additional road infrastructure in the future.

Transit should be considered for development charge recovery on the same basis as improvements to road infrastructure. There's simply no logical rationale for treating rapid transit projects differently from roads in the DCA.

This approach is consistent with recent recommendations from the Metrolinx investment strategy.

In summary, the region supports the principle that growth should pay for growth, and specifically requests amendments to the Development Charges Act, 1997, that would allow the use of the 10-year forward-looking level of service as the baseline for calculating development charges for transit and other services by replacing the 10-year average historic level limitations provision; eliminate the 10% mandatory discount on development charges for all services; and include all services funded by municipalities as eligible for development charges. The first two are the really critical ones, for the transit piece.

These changes to the Development Charges Act would provide the flexibility needed by municipalities to plan for, build and finance critical infrastructure and would allow for the recovery of growth-related capital costs for all services, and particularly, in our case, the implementation of the region's LRT system, and certainly all rapid transit projects within the GTA itself which are on the horizon and which are on the books.

Just a brief note on the economic development strategy: There are limitations for those of us in some municipalities. When the Municipal Act was redrafted, at

that time there was a snapshot taken of who did what services at that particular time, and they were frozen. The mechanisms for changing those relationships either require triple majorities or changes to the legislation. We are currently looking at redoing how we do economic development activity in this region, which will require a legislative change. The request is simply that the province would amend the act to give a broader ability to react to changing economic conditions and economic development initiatives.

On the human side, housing continues to be a major issue. We have been one of the leaders in building affordable housing and leveraging money here. We are concerned that the province finalize its agreements with the federal government to make sure those federal funds continue to flow.

We are also concerned that the federal government may—that as CMHC mortgages for co-ops expire or come due, that money may disappear from the system, and that will weaken the system itself, and the fact that even though we continue to build affordable and supportive housing, the waiting lists don't decrease. We need to find a more solid base of financing affordable and supportive housing in our communities.

Homelessness continues to be a major issue. The changes in CHPI funding and others that took place over the last—well, actually, although we have some transitional funding, it's only transitional for one year, and it's creating great pressures on us. Our use of hostels and housing is increasing—it's not going down; it's actually going up—and we need mechanisms to make sure that we've got a sustainable financial housing system in front of us, to deal with homelessness in our communities. It is increasing, and in this past year, we've seen a significant increase, as some of the funding formulas were based on from about three years ago, prior to this increase in homelessness that's appearing again. We're beginning to see more families and children in that kind of area, and we need to work on those things.

Discretionary benefits: It would be lovely to see some money put back into discretionary benefits. As you may be aware, some regions and some municipalities spend very little on discretionary benefits. Others, like the region of Waterloo and Hamilton, that have older, established communities, spend considerable money on the discretionary benefits. The province, a year and a half ago, unilaterally slashed that program, and some of us were hard hit. Our spending went from \$6 million down to just over \$2 million. We've been scrambling for the last year to find ways to do it. We've found about \$2 million by some permanent and some temporary funding. But as the level of need increases, the disappearance of that program has been catastrophic to the poor in this region. We really need to find a way for the province to come back and take another look at the discretionary benefits envelope because it is an ongoing issue and a serious issue. I've listened to the delegations that have come to our regional council over the last month and a half, pleading for additional discretionary benefit money.

The Healthy Smiles program, again, is great. I'm thankful that the province is consolidating the programs and trying to make access easier. The only difficulty is that the money isn't expanding at the same time, we don't believe. It's great to expand the program, but unless there's an expansion of the money, the waiting list will just continue to get longer, even though there will be perhaps easier ability to get access to the program. But at the same time, if the funding envelope doesn't increase, it really doesn't help us that much. It's just a bit of a caution that that program needs to be funded as well as expanded.

It's the same thing with Healthy Babies Healthy Children. That envelope has been frozen for about seven years. We're finding increasingly that families at risk and families in need are really—we tightened it up and the program can't serve as many people. Increasingly if that program doesn't expand, there will be more and more children at risk in this community. We just suggest that you take a look at how that program is funded and the needs of children in our community.

Provincial offences fines: That was part of the trade-off. We've been promised by the government to try and deal with those. Those were supposed to be our trade-off revenues from the exchange of services. The province still needs to go a long way to facilitate so we can begin to collect some of these provincial offences fines, because that's our revenue that was supposed to replace some of the things for the services we took on. That isn't really happening as it was promised, so we would like to ensure that that takes place.

That brings me to the end of my submission.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Ken. We've got about three minutes—oh, just two and a half minutes left. Michael?

**Mr. Michael Harris:** I'll make it quick. You mentioned, Chair Seiling, the Big Move in your submission and that there was no clear advancement of projects related to the Waterloo region. I'm just wondering if you could tell the committee your feelings as to why the Liberals potentially left the region out within the Big Move.

**Mr. Ken Seiling:** I think the mandate of Metrolinx is defined by legislation. Although they do service outside of the envelope, they really haven't done a lot of planning for outside the envelope. They've done some work for us. We think that they should have a bigger planning scope to be able to deal with these particular issues. I realize that money is always an issue for everything and I recognize the fact that 25 years of under-investment in the GTA and the GTHA is creating problems for the government, but at the same time, we just can't not deal with the issues because parts of the economy that are important to the province are outside the GTHA.

**Mr. Michael Harris:** Just quickly, because I know my colleague has got a question: The Liberals have also committed to the construction of Highway 7 for a number of years. Would you like to see that commitment solidified in this budget?

**Mr. Ken Seiling:** I think that is critical. I think all the indications are that the project is going to proceed. We'd like to make sure that it does proceed, because that's a critical transportation link for this particular part of the economy.

**The Chair (Mr. Kevin Daniel Flynn):** Rob, you've got about a minute.

**Mr. Rob Leone:** Sure, Chair. I know that we've been promised GO trains; we got half the trains that were promised. When the region put in its proposal for light rail transit, we got half the money from the provincial government that was expected. What's your overall comment on that? What effect is that having on the region, in your view?

**Mr. Ken Seiling:** You'll hear from the Kitchener delegation following us, but I think the cutbacks, particularly on the GO transit service, are impacting our ability to bring employees into the region, for example. Improved GO service actually will help satisfy some of the needs. Currently some of the companies are actually running buses in and out of the GTA to try to get employees here. That's a critical piece, but also just the complete parking-lot atmosphere of the 401. The fact that the 401 has become a parking lot at many times of the day is creating problems for people wanting to do business in this part of the province. We've got to move it.

The province did, I must say, originally promise two thirds, and then they cut back to one third—I did this negotiation. The Premier, in fact, intervened and upped the ante by another \$50 million, and they've done that. We're funding our portion of it. But again, the Development Charges Act then becomes critical for that. We just want the same deal that Toronto and York got.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much for coming, Ken. Appreciate it.

#### CITY OF KITCHENER

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation this afternoon is from the city of Kitchener: Mayor Zehr. If you'd like to come forward and make yourself comfortable: 15 minutes; use it any way you see fit. If you do leave any time at the end, questions will come from the NDP.

1530

**Mr. Rod Regier:** All right. I have to apologize for Mayor Zehr; he is ill this afternoon and not able to join us.

My name is Rod Regier. I'm the executive director of economic development for the city of Kitchener. I have my colleague Dorothy McCabe with me. She is going to distribute a package of information for the committee. In the meantime, I do have a map which I'd like to distribute or circulate to the committee.

Thank you very much for the opportunity to present this afternoon. In a nutshell, although Chairman Seiling has already outlined the nature of the concept which we are proposing for inclusion in the 10-year capital fore-

cast, I'd like to give you just a little bit of an overview. The presentation you have here is the document which I'll be working from.

In essence, what we're proposing is an investment in strategic infrastructure in order to take advantage of and leverage the existing investments which have been made, including the tripartite investment in LRT in the Waterloo region but also the investments that the province and the federal government have been making in the CN North Mainline GO system from Georgetown to Union Station, and, maybe even more importantly, to take advantage of a singular opportunity to advance the innovation economy in the province of Ontario.

I unfortunately haven't been able to attend your meetings up to this point, but you no doubt are aware by now that the Waterloo region is a hotbed of technology and entrepreneurship. Innovation is in the lifeblood of this community. It has been successful in achieving some important outcomes for the province in terms of labour market performance as well as attraction of investment and market opportunities, around the world but particularly with the American marketplace in mind.

We're often compared to Silicon Valley. Anecdotally, we know that that's not actually a really accurate comparison because Silicon Valley is a fairly expansive place, and we're a region of about 18,000 square kilometres, about 550,000 people. But if you look at the region from the Waterloo region to the greater Toronto area, what you see is actually a comparison that's fairly reasonable; in fact, that's the purpose of the map. In this region, we have a comparable population to Silicon Valley, we have a comparable educational infrastructure, and we have a comparable level of IT employment, technology employment.

What we're missing is the key connectivity of rail transit. Where they have two-way, all-day Caltrain service between San Jose and San Francisco, we have one-way morning commute service on GO into Toronto. We did the business case. In a sense, we know that this is a significant challenge for the province. In 2009, it was estimated as a \$400-million project; recent estimates, very informal, from Metrolinx are that this has now grown to about \$600 million in 2013. We know that there's a challenge for the province in financing this piece of infrastructure.

As a result, we did an economic impact analysis. I'd like to point the committee to the economic outcomes table which is located four or five pages into your presentation deck there. At the level of innovation that's taking place right now, enterprise formation and job creation, in our central business district in Kitchener and in the associated research parks in Guelph and in Waterloo, we are forecasting that the economic impact of two-way, all-day GO service to the Waterloo region, connecting Toronto and Waterloo region and Guelph labour markets, would be the creation of about 37,000 jobs in the approximately 10 years following the completion of the system. That would have a net effect of increasing personal income in these economies by some

\$2.5 billion annually. Now, these are 2011 figures, so this is not inflated, and the 2011 calculation for the personal income tax revenue from these jobs would be in the order of \$540 million, \$550 million. This does not include corporate income tax, it does not include HST and it does not include any kind of calculation for multipliers. So what we're saying is that the revenue to the federal and provincial governments from this innovation cluster will be enough, essentially, to pay for that infrastructure more or less every year, essentially forever.

It's an investment in the economy, it's an investment in jobs and it's an investment in the future innovation economy for this province—not only the province, but really the country as a whole. It will give us a chance to compete toe to toe with the great innovation clusters in North America—Silicon Valley, Boston, New York—and compete with any urban system around the world for knowledge and creative jobs.

So that's the concept in a nutshell.

**The Chair (Mr. Kevin Daniel Flynn):** Perfect. Thank you very much.

**Mr. Rod Regin:** Did I make it on time?

**The Chair (Mr. Kevin Daniel Flynn):** You've got seven minutes still to go, and I think the next line of questioning is coming from Catherine or Michael.

**Mr. Michael Prue:** Yes. This is very impressive. Who crunched the numbers to get this kind of stuff? Because I must admit that after 10 years on the finance committee, I'm sometimes dubious about numbers, so I just want to know who crunched them, how you got them and how reliable you think they are.

**Mr. Rod Regin:** We did the analytical work internally. This has been a collaborative effort with the city of Guelph, the city of Waterloo, the Waterloo region and the city of Kitchener. The city of Kitchener has been stick-handling it. We've been working with these numbers for about three months now. Actually, what you're seeing there today is a refinement of the last version of the report.

What we would request, actually—and we've made this point to your colleagues in the Premier's office, the Ministry of Transportation and economic development as well—is that the Ministry of Finance take a look at the numbers and test them. We think they're fairly conservative. It's not a complete analysis because we didn't have access to the full provincial macroeconomic model, so it is limited in scope.

And it's fairly basic. To be honest with you, it's fairly basic arithmetic. The way it works is this: We have within downtown Kitchener, as an example—this is the location of Google, Google Canada's development office. It's the location of Motorola. It's the location of Square, which is Jack Dorsey's commercial app company. It's the location of Electronic Arts and dozens and dozens of start-ups that are exploding out of the Communitech Hub. We took a look at the expansion opportunity within the pedestrian district of the multi-modal station, which is already a significant opportunity and an investment of provincial resources, at the intersection of

the LRT and the GO system. Within a five-minute walk of that multi-modal station, we can develop about five million square feet of commercial and residential real estate. Our estimates at this point, from a planning point of view, are that that will result in about 15,000 jobs within a five-minute walk of this area.

Now, those jobs are already being created in this area, but they're being created with the idea of the LRT in mind and the vision of a high-density creative cluster, along the lines of what Richard Florida has been promoting for many years now. We've just extrapolated what the impact will be on an economic basis: what the value of construction will be, what the value of the personal income from those jobs will be and what the value of personal income tax revenue will be from those jobs. As Don Cherry would say, this is not rocket surgery.

1540

**Mr. Michael Prue:** It's a lot of mixed metaphors.

In terms of Kitchener-Waterloo the region, a lot has been promised over the years and very little delivered. I understand that Highway 7, which Mr. Seiling was talking about, has been announced five times over at least the last five or six years and nothing really has come of it. We've had a lot of discussion, and nothing seems to be coming of all-day GO service. Without those, how successful could your plan be?

**Mr. Rod Regin:** Our private sector partners are telling us that they need to have efficient transportation between the GTA and the cities and the labour markets along the north CN main line in order to fully realize their opportunity for growth. This is a very strong message from Google, from Square and from our other tech companies, including our finance companies like Manulife.

This is a project which is firmly supported by our private sector partners. What I might do is point you, in your package, to three articles. There are three articles here from the Huffington Post which give you a detailed description of the concept and how our private sector partners are thinking about it. It has also got an important article from the New York Times which was published just before Christmas, on December 22, talking about a "Snowier Silicon Valley in BlackBerry's Backyard." It's an exploration of the importance of the infrastructure we're talking about and the development of sustainable cities in the evolution of our tech cluster. It's absolutely essential for our future, we believe.

**Ms. Catherine Fife:** Thank you very much, Rod. I really just want to commend you and the various other partners—the city of Guelph, the region and city of Waterloo—for putting this forward. This is exactly the blueprint that we need to ensure that we are connecting the economic engine of Ontario, which is Toronto, with other jurisdictions.

The GO service to date, though, primarily hasn't been successful because it just doesn't work for people: The time doesn't work, and the length of time for the train. Can you touch on that a little bit?

**Mr. Rod Regin:** It works for the people that are on there. It's not a great service; I'll grant you that. I take it when I go into Toronto because it's more reliable than the 401. It does take two hours to get into town, but it's very cost-effective. What we're saying is that it's a good start. It's the kind of place you would start, but it's insufficient to actually fully realize the dream of this dynamic super-cluster innovation economy.

**Ms. Catherine Fife:** I think the tension will happen coming forward. There has been the recent announcement to expand the 401 to 10 lanes. If you're looking strategically about where you're going to get your money back from investment, this is the kind of long-term investment that actually makes more sense. Roads versus trains: The smart municipalities around the world are focusing on rail.

**Mr. Rod Regin:** I'd encourage you at some point, if you get a chance, to meet with a fellow by the name of Steve Woods, who's the head of engineering for Google Canada. He's passionate. Google has their own bus on the highway pulling people out of Toronto. What they really want to do is have trains.

**Ms. Catherine Fife:** Thank you very much.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Rod, for your presentation.

**Mr. Rod Regin:** My pleasure.

#### SEIU HEALTHCARE

**The Chair (Mr. Kevin Daniel Flynn):** Our last delegation of the day is from SEIU. Abdullah, make yourself comfortable. You have 15 minutes, like everybody else. Save a little bit of time at the end for any potential questions that may be coming from the government side.

**Mr. Abdullah BaMasoud:** My name is Abdullah BaMasoud and I'd like to thank the committee first for the opportunity to appear before you this afternoon. I'm with SEIU Healthcare. We're an organization that advocates on behalf of over 50,000 health care workers across the province. Our members work in hospitals, nursing homes, retirement homes and in the community and home care sectors, which gives us a unique perspective across the spectrum of care on the health care system.

Our membership is a diverse population and includes personal support workers, registered practical nurses, RNs, health care aides and other front-line health care workers. As an organization, we're committed to forging constructive partnerships with health care providers and with other stakeholders to find innovative solutions that drive quality and value while maintaining our public health care system.

In particular, we have a vested interest in the home care sector, mainly because among our members are 7,000 personal support workers, known as PSWs, who deliver publicly funded home care services coordinated by the CCACs.

In my time today, I'll focus on one of our priorities, which is the sustainability of a home care system that

delivers quality care to Ontarians while providing value for money.

As you're aware, the last few years saw a rapid growth of the home care sector across the province to meet the increasing demand by our aging population. Investments in these services are projected to increase by over \$700 million over the next three years, including \$260 million in the current fiscal year. Home care is identified as vital to improving health care outcomes while constraining expenditure growth in the more costly acute and long-term-care sectors. And 88% of Ontarians would prefer to receive care in a home setting.

The wait-list for home care was, and is, a key concern for Ontarians. Studies, like the study by Dr. Janice Keefe, show that demand for formal care in the home setting, such as personal support services, is projected to double by 2031. What worries us is the lack of a health human resources plan for personal support workers, given the current and projected demand for their services.

A very recent analysis by Dr. Janet Lum from Ryerson University last fall looked at detailed data of over 32,000 PSWs from the Ontario PSW Registry. Her analysis found that the PSW workforce in Ontario is aging, with 64% of the workforce over 40, and 37% of them are over 50 years old.

Aging of the PSW workforce is an alarming trend, especially as the concept of care-shifting, recommended by the Drummond report, is being implemented, aiming to continue delivering quality care while constraining costs. The care-shifting to the home care sector will further increase the demand for a skilled PSW workforce.

Recruitment and retention of qualified PSWs is central to a safe and effective home care system. Dr. Sinha, in his 2013 Living Longer, Living Well report to the Ministry of Health, states in recommendation number 143 that, "The Ministry of Health and Long-Term Care should look at innovative policies and ways to develop programs and initiatives to stabilize the existing PSW workforce...."

Employers find it hard to attract skilled young Ontarians to a demanding profession like personal support care, where the average wage is approximately \$15 an hour and the minimum wage is \$12.50, which was set by the government of Ontario back in 2006 to stabilize the workforce and has not changed since then.

As much as PSWs care about their home care clients, they still have to make a living. As Dr. Lum's analysis shows, over half of the PSWs on the Ontario PSW Registry identified that a higher rate of pay would be the top reason to help them continue working as PSWs and not leave the profession altogether. Raising the minimum wage for PSWs in the home care sector is not just the demand of front-line PSWs, but also of their employers, including the for-profit home care providers represented by the Ontario Home Care Association.

1550

SEIU Healthcare recommends adjusting the minimum wage for PSWs in home care to \$16 per hour to account for eight years of inflation and to increase recruitment

and the retention of PSWs in the home care sector, and make personal support care a career of choice for younger Ontarians. Realized savings resulting from shifting care from the more costly acute care and long-term-care sectors would contribute to paying for these costs. Currently, many experienced PSWs leave the home care sector as soon as they find employment in the acute care sector or long-term-care sector because of the wage gap between PSWs in these two sectors on one hand and home care on the other hand, not to mention the lack of pension options in the home care sector.

We see increasing financial efficiency in the home care sector as a crucial way for the province to see higher return on its investments in the home care service, that is, to see more hours of personal support care for the same amount of funding. Currently, only a fraction of home care funding finds its way to front-line care.

Our analysis, based on data from the Ministry of Health and Long-Term Care, health data branch, shows that approximately a third of each public dollar spent on home care is absorbed by private home care agencies for expenses that include executive compensation, CEO bonuses, administrative costs and profit margins. With hundreds of millions of public dollars being funneled into the home care sector in these lean times, taxpayers want to see a higher return on their investments in the publicly funded and privately delivered home care services.

Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Abdullah. You've left about six minutes for questions, starting with Donna.

**Mrs. Donna H. Cansfield:** Thank you for your presentation. I think all of us have had the personal support workers come in and speak to us about certification, so I was curious as to whether or not you feel there should be a standard of care in the long-term-care homes, and how you might define that standard of care. Would it be just defined in terms of hours? Would you look at education in terms of that certification?

**Mr. Abdullah BaMasoud:** Okay, so I think there are two issues here. There is one: How many hours per client per day in the long-term-care sector? In our written submission, which will follow later in the week, we recommend that there should be at least a minimum of four hours of direct care to each client per day. This is an ask that you will see also from SAFER, which is a coalition of employers, unions and other concerned parties.

When it comes to education for personal support workers, we support the move by the government in the last year to consult, basically, stakeholders on merging the three standards of education that are currently in place into one standard curriculum for PSWs that responds to the changes in the demographics and the acuity of clients that they see.

**Mrs. Donna H. Cansfield:** So if you were going to do that, then there must be some accountability put in place as well, because you would have to recognize that there are a variety of ways of determining the provision of that standard of care.

**Mr. Abdullah BaMasoud:** Correct. When we were consulted on that centralization of the PSW curriculum, we recommended that there should be a mechanism for auditing colleges, private colleges and public colleges, that provide personal support worker programs to ensure that they meet these standards. Currently, there is no audit except for voluntarily—by these colleges to audit themselves; but otherwise, there are no auditing requirements for them.

**Mrs. Donna H. Cansfield:** One of the other areas that we heard about was the whole issue around home care, and you identified it as well, and in determining—again, there has to be a provision of standard of care and it should be similar. There are 14 LHINs across the province and I only have four of them in my riding, so I can't speak to the other 10, but I can speak to the fact that the CCACs and the LHINs do not provide a standard of care; it differs in LHIN to LHIN and CCAC to CCAC. How would you change that?

**Mr. Abdullah BaMasoud:** Now that you mention the CCACs, we see that the CCAC can play more of a role in coordinating the delivery of home care services across the province. I worked for one of the LHINs in the past and we had an accountability agreement with the CCACs that they should not exceed their spending on management to more than 10%. Such an arrangement does not exist between the CCACs and the home care agencies, and therefore that's where the lost 30% is that is spent on management and profit margins by the home care agencies. This is one aspect of the personal support or home care service that is being delivered to Ontarians.

The other aspect is that there is no existing standard of care, and again that's on the side of the 14 CCACs. They should be mandated to coordinate among themselves to issue one standard of care for home care clients, obviously depending on their MAPLe score or their acuity level, in the way that a home care client in a rural area would receive the same quality care that a home care client in Toronto, for example, would receive.

**Mrs. Donna H. Cansfield:** You also identified that you could remove funds from the alternative level care or acute care beds that are being taken up by people who should be either at home or in long-term care, but once that bed is free, that bed will be filled, so I don't see how

you'd be able to transfer those dollars, especially in an aging society. When you look at some of the hospitals, I think the average age of admission is 64, especially when you get into places like Toronto. Where do you think the money will come for this?

**Mr. Abdullah BaMasoud:** Like I identified, we think that the main source for such funding should come from increasing efficiency in the home care sector. Thirty-one per cent of every public dollar, we estimate, is being funnelled into home care agencies, and this is an unprecedented ratio of inefficiency in spending. Just last year, \$260 million being funnelled—if you take 31% of that, that's how much home care agencies took into their pockets, not even for coordinating care, not for case management, because that's the work of the CCACs, but just for scheduling PSWs to go and deliver the care.

**Mrs. Donna H. Cansfield:** Then you raise the other issue: the duplication of provision of service in terms of procurement—sometimes the LHINs do it; sometimes the CCACs do it; sometimes it's mandated through the ministry. I look at behavioural support services for the elderly right now, and of the 14 LHINs, they have 14 different ways of doing it. It's \$43 million that has been put into that program. So you would be suggesting that there should be a more coordinated approach and that would lower those internal costs.

**Mr. Abdullah BaMasoud:** Correct, and I would again re-emphasize that there is a need to increase the efficiency in the spending in the home care sector. Regardless of the billings that are being spent, if you take 31% of that for home care agencies just for scheduling care and for managing PSWs, I think that's too much of a ratio.

**Mrs. Donna H. Cansfield:** Thank you. I agree.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Donna. Thank you for joining us today, Abdullah. You were our last presentation of the day.

**Mr. Abdullah BaMasoud:** Thank you for staying.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you. For those of you who are taking the bus to Oakville—that would be members of the committee, not the audience—please meet in the lobby in about 15 minutes.

This committee is now adjourned to Oakville.

*The committee adjourned at 1559.*



*Continued from back cover*

Conceivable Dreams .....	F-479
Ms. Jan Silverman	
Ms. Paula Schuck	
Dietitians of Canada.....	F-481
Ms. Leslie Whittington-Carter	
Holland Marsh Growers' Association.....	F-484
Mr. Jamie Reaume	
Wilfrid Laurier University .....	F-486
Dr. Max Blouw	
Regional Municipality of Waterloo.....	F-488
Mr. Ken Seiling	
City of Kitchener.....	F-491
Mr. Rod Regier	
SEIU Healthcare.....	F-493
Mr. Abdullah BaMasoud	

#### **STANDING COMMITTEE ON FINANCE AND ECONOMIC AFFAIRS**

##### **Chair / Président**

Mr. Kevin Daniel Flynn (Oakville L)

##### **Vice-Chair / Vice-Présidente**

Ms. Soo Wong (Scarborough–Agincourt L)

Mr. Steven Del Duca (Vaughan L)

Mr. Victor Fedeli (Nipissing PC)

Ms. Catherine Fife (Kitchener–Waterloo ND)

Mr. Kevin Daniel Flynn (Oakville L)

Mr. Douglas C. Holyday (Etobicoke–Lakeshore PC)

Ms. Mitzie Hunter (Scarborough–Guildwood L)

Mr. Monte McNaughton (Lambton–Kent–Middlesex PC)

Mr. Michael Prue (Beaches–East York ND)

Ms. Soo Wong (Scarborough–Agincourt L)

##### **Substitutions / Membres remplaçants**

Mrs. Donna H. Cansfield (Etobicoke Centre / Etobicoke-Centre L)

Mr. Vic Dhillon (Brampton West / Brampton-Ouest L)

Mr. Michael Harris (Kitchener–Conestoga PC)

Mr. Shafiq Qadri (Etobicoke North / Etobicoke-Nord L)

##### **Also taking part / Autres participants et participants**

Mr. Rob Leone (Cambridge PC)

##### **Clerk / Greffier**

Mr. Katch Koch

##### **Staff / Personnel**

Ms. Susan Viets, research officer,  
Research Services

## CONTENTS

Monday 13 January 2014

Subcommittee report .....	F-441
Pre-budget consultations .....	F-441
Brick Brewing Co. Ltd.....	F-441
Mr. George Croft	
Mr. Sean Byrne	
Dolphin Digital Technologies Inc. ....	F-444
Ms. Jamie Burton	
Family and Children's Services of the Waterloo Region.....	F-446
Ms. Alison Scott	
Ms. Joe-Ann McComb	
Flowers Canada (Ontario) Inc. ....	F-448
Mr. Rejean Picard	
Economic Development Advisory Committee, City of Kitchener; Waterloo Region	
Home Builders' Association .....	F-451
Mr. Kevin Fergin	
Grand Valley Construction Association.....	F-453
Ms. Martha George	
Poverty Free Kitchener-Waterloo Action Group .....	F-455
Mr. Brad Ullner	
Mr. Alex Troeger	
Social Planning Council of Kitchener-Waterloo; Community Information Centre of	
Waterloo Region .....	F-457
Ms. Trudy Beaulne	
Greater Kitchener Waterloo Chamber of Commerce .....	F-459
Mr. Art Sinclair	
Social Planning Council of Cambridge and North Dumfries .....	F-462
Ms. Lyndsey Butcher	
Interfaith Social Assistance Reform Coalition; Homelessness and Housing Umbrella	
Group .....	F-463
Rev. Michael Hackbusch	
Mr. Greg deGroot-Maggetti	
Ms. Lynn Macaulay	
Waterloo Regional Labour Council; Poverty Free Kitchener-Waterloo .....	F-466
Mr. Len Carter	
Christian Labour Association of Canada .....	F-468
Mr. Andrew Regnerus	
Mr. Ian DeWaard	
Ontario Nurses' Association .....	F-470
Ms. Beverly Mathers	
Organic Council of Ontario.....	F-472
Ms. Jodi Koberinski	
Ms. Catherine Stewart Savage .....	F-475
strataWORKS Canada Ltd. ....	F-477
Mr. Derek Geisel	
Mr. Jim Hill	

*Continued on inside back cover*



ISSN 1180-4386

## Legislative Assembly of Ontario

Second Session, 40<sup>th</sup> Parliament

## Official Report of Debates (Hansard)

Tuesday 14 January 2014

Standing Committee on  
Finance and Economic Affairs

Pre-budget consultations

## Assemblée législative de l'Ontario

Deuxième session, 40<sup>e</sup> législature

## Journal des débats (Hansard)

Mardi 14 janvier 2014

Comité permanent des finances  
et des affaires économiques

Consultations prébudgétaires



Chair: Kevin Daniel Flynn  
Clerk: Katch Koch

Président : Kevin Daniel Flynn  
Greffier : Katch Koch

### **Hansard on the Internet**

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. The address is:

<http://www.ontla.on.ca/>

### **Index inquiries**

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.

### **Le Journal des débats sur Internet**

L'adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance est :

### **Renseignements sur l'index**

Adressez vos questions portant sur des numéros précédents du Journal des débats au personnel de l'index, qui vous fourniront des références aux pages dans l'index cumulatif, en composant le 416-325-7410 ou le 325-3708.

---

Hansard Reporting and Interpretation Services  
Room 500, West Wing, Legislative Building  
111 Wellesley Street West, Queen's Park  
Toronto ON M7A 1A2  
Telephone 416-325-7400; fax 416-325-7430  
Published by the Legislative Assembly of Ontario



Service du Journal des débats et d'interprétation  
Salle 500, aile ouest, Édifice du Parlement  
111, rue Wellesley ouest, Queen's Park  
Toronto ON M7A 1A2  
Téléphone, 416-325-7400; télécopieur, 416-325-7430  
Publié par l'Assemblée législative de l'Ontario

## LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON  
FINANCE AND ECONOMIC AFFAIRS

Tuesday 14 January 2014

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES FINANCES  
ET DES AFFAIRES ÉCONOMIQUES

Mardi 14 janvier 2014

*The committee met at 0904 in the Holiday Inn Oakville (Centre), Oakville.*

## PRE-BUDGET CONSULTATIONS

**The Chair (Mr. Kevin Daniel Flynn):** Okay, let's call this meeting back to order again. We're here from—

*Failure of sound system.*

**The Chair (Mr. Kevin Daniel Flynn):** Before we start, seeing as this is the first time I remember the finance committee being—

*Failure of sound system.*

**The Chair (Mr. Kevin Daniel Flynn):** I thought I'd ask the mayor of Oakville, Rob Burton, if he'd just like to say hi to everybody. Rob, I'm sure your mike works better—

*Failure of sound system.*

**Mr. Rob Burton:** In Oakville, we seldom use a mike, so govern yourselves accordingly. The technology won't back you up.

Welcome to Oakville. I understand that some of you may have made our merchants in our beautiful downtown happier last night. I thank you very much for that. I certainly hope it was a happy shopping experience. I'm delighted that you had the opportunity to come to Oakville and experience Oakville for yourselves. I hope that your visit will be productive.

If there's anything you need, please don't hesitate to let me or my office know—

*Failure of sound system.*

**Mr. Rob Burton:** Welcome to Oakville.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Rob. Rob is joined by Roger Lapworth, the representative from Ward 4 on council. Welcome, Roger. Thanks for sitting in.

CANADIAN MANUFACTURERS  
AND EXPORTERS

**The Chair (Mr. Kevin Daniel Flynn):** Let's get on with the official business of the day, and that is our first presentation, the Canadian Manufacturers and Exporters. Paul and Ian, you have 15 minutes in total. Use that in any way you see fit. If you would like to leave a little bit of time at the end for questions, the questioning will come from the Conservative Party, represented by Mr. Fedeli. The floor is yours.

**Mr. Ian Howcroft:** Thank you very much. Thank you for hearing us today. We appreciate that, Chair and committee members. All the best for 2014.

I just wanted to start by again highlighting the importance of manufacturing, and Canadian Manufacturers and Exporters. We're Canada's largest industrial trade association. We've been around since 1871. Our members produce approximately 75% of the country's and the province's manufactured output, and we're responsible for about 90% of the goods and services exports.

Some 85% of our members are small and medium-sized enterprises, and our membership is broader than most people would think; it includes manufacturers, exporters, supply-chain partners, key business providers and anybody who has an interest in supporting and helping to grow manufacturing.

Manufacturing has had a bad image. I think there's a negative perception about manufacturing. We're trying to demonstrate how important manufacturing is to the economy of Ontario and Canada. I think we have a great campaign in "Good Things Grow in Ontario." We're trying to promote good things made in Ontario, to demonstrate and let everyone understand what manufacturing contributes to the economy.

Notwithstanding the negative news, the challenges that we have faced and will continue to face, the realities and statistics show how important manufacturing is: It's about \$270 billion in Ontario, about \$550 billion to \$600 billion nationally, 14% to 15% of direct GDP, and Ontario still has about 700,000 manufacturing employees—those are direct employees—and there's about another 1.5 million workers in Ontario who are indirectly dependent on manufacturing.

It accounts for about 50% to 70% of our exports, a highly diversified sector integrated extremely well with the US market, but we're trying to grow global opportunities. Approximately 75% of R&D is done by the manufacturing sector—85% of commercialization—and it's the largest economic multiplier of any sector; every dollar invested in manufacturing generates about \$3.50 in total economic activity. When you take that into account, it's about \$1 trillion to the economy, when you look at it that way.

0910

We also want to recognize some of the successes that we've experienced with regard to the finance and tax files. We were much in favour of creating the HST;

lowering the corporate tax rates, particularly for manufacturers, which were at 10%; the elimination of the capital tax; accelerated depreciation; and the partnership we had with the Ontario government that allowed us to deliver and start our Smart program, which has led to us supporting over 1,000 companies with direct investments. That has generated about \$200 million in benefit to the province of Ontario.

But still, notwithstanding the success, a lot more has to be done to continue to deal with these challenges. Global competition is increasing, and we have to deal with the productivity challenge that you folks know only too well.

We've seen some R&D focus, but we have to do a lot more to improve the R&D, to improve the commercialization with the investments that we have and also to garner more investments. Paul will talk a little bit about that. That's key to our future success. It's an issue and a theme that we hear about from our members on an ongoing basis and is one of the top issues that we heard about through the survey that we did. We have to find a way to better sustain and incent companies. We don't think this is a way you do that, by tax measures or punitive programs.

Another area that is key to our members and related to the tax file is the skills issues, the workforce competencies, the mismatch that exists between employees, workers who no longer have jobs, and employers who can't find the skills that they need. We need to find and build on some of the solutions that have been discussed. Again, this is an issue that we hear about continually. We have to find ways to have workers who have the skills and competencies they need for the future. We're working with ministries, with Skills Canada and with other groups to hopefully get young people to understand the importance and opportunities that manufacturing can provide. Again, we want to build on successes, things like the Apprenticeship Tax Credit. We think that should be broadened and expanded.

Again, we do this through positive incentives, not through a punitive approach. The minister made some comments in the economic statement in the fall that talked about "play or pay." We don't think that's the direction to go. We think you have to have an incentive that will attract investment and retain the investment that we have. Putting through disincentives or more barriers is not something that we would benefit from as a province, as a manufacturing sector, and ultimately it would have negative repercussions.

Before I turn it over to Paul for additional comments, I just want to highlight another challenge that we hear about, not directly related, but there is some overlap with the Ministry of Finance. That's with regard to energy policy and energy prices. We need to find ways to develop solutions that will address the concerns and the issues for the manufacturing base. We think there are solutions. There are ways that we can deal with that through cost reductions, through energy efficiency. We'd also like to look at things like a manufacturing rate for

energy. Our members are telling us that Ontario is one of the highest, if not the highest jurisdiction where they produce products. It's growing in concern, so I think that's something that we wanted to highlight for this committee just to hear about.

I'll turn it over to Paul to talk a bit about the specifics, and then we'll hopefully have time for any questions.

**Mr. Paul Clipsham:** Thanks very much, Ian. Research and development is critical to an advanced manufacturing economy. As Ian mentioned, manufacturing is responsible for more than half of all private sector research and development. The federal government has reduced the incentives available for research and development from 20% down to 15% and eliminated capital expenditures eligibility, which we think is absolutely the wrong direction to go. We feel there's an opportunity for Ontario to offset that.

The two proposals referenced in the economic statement were the "play or pay" approach, which, as Ian mentioned, we think is the wrong approach. It's punitive to the companies that most need the incentive to be innovative. The other approach was the incremental approach, which is certainly preferable. That is where you have a baseline incentive, and then if you're able to achieve higher levels of investment in R&D, then you get an incrementally higher incentive. We think that's definitely the preferred approach in terms of those models.

The second area is the skills area, which continues to be of significant importance to our members. There are certainly robust incentives for apprenticeships—the Apprenticeship Training Tax Credit, which is something that CME had recommended and has been put in place. However, there is a great deal of training and up-skilling that goes on in the workplace that is not covered under that incentive, and that could certainly benefit from a broader incentive in that area.

Other non-tax priorities—Ian mentioned electricity rates. Ontario has some of the highest rates in North America. That is simply not sustainable from a manufacturing perspective, so opportunities to put in place more competitive rates—certainly, we do want to recognize that the government has taken some steps in terms of changing the allocation of the global adjustment for companies that are doing the right things in terms of their behaviour, but we certainly think more needs to be done to reduce electricity rates for manufacturers.

Finally, I just want to talk a bit about the regulatory and legislative burden. Despite some good progress that has been made through the Open for Business initiative, we continue to hear from our members that they're struggling with the volume of regulation and legislation that's coming at them. It takes away from resources that would be better served in other areas like innovation and training. So that continues to be a concern.

We want to recommend a consultation-first approach to new legislation. There has been some good progress on the regulatory side in terms of advance consultation. Certainly an approach that's similar to what's happening with this committee, in other areas, I think, would benefit everyone in terms of avoiding unintended consequences.

Those are some of the highlights. There is certainly a number of other areas that we continue to work on and that continue to be important—property tax, pension reform etc.—but those are some of the areas that we wanted to highlight for today's presentation. Certainly, we look forward to any further questions or discussion. Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Great. Thank you, Paul and Ian.

Vic, you've got just over four minutes.

**Mr. Victor Fedeli:** Thank you very much, Chair. Welcome, Ian and Paul. It's great to see you gentlemen today.

If I could summarize, what I'm hearing from you actually seems to be what I've heard from a lot of other people, not only in manufacturing but in other business: high taxes, high energy and too many regulations. Would that be a quick summary?

**Mr. Paul Clipsham:** Definitely, the electricity rates are an issue. The regulatory burden is significant. It's not the fact that we have high standards; I think we all, as Ontarians, appreciate that. It's the non-value-added activity that goes along with that that's the problem. So we really need to focus on—

**Mr. Victor Fedeli:** I've never heard it worded like that.

**Mr. Paul Clipsham:** Yes.

**Mr. Victor Fedeli:** I'm going to write that one down—"non-value-added activity." I like that.

**Mr. Paul Clipsham:** It's a manufacturing—

**Mr. Ian Howcroft:** It's a lean manufacturing term.

**Mr. Victor Fedeli:** "Non-value-added activity"; okay.

**Mr. Ian Howcroft:** Eliminate the waste.

**Mr. Victor Fedeli:** The taxes is the one I wanted to focus on. The transit tax—the transit plan includes raising the corporate taxes by 0.5%, which will bring us to 12% in Ontario.

**Mr. Paul Clipsham:** I think that would be a regressive step for Ontario. I think we have made some progress on the tax file, and that has certainly improved the situation. One of the things that we like to emphasize is that there is a strong correlation between after-tax profitability and employment. To the extent that you can improve profitability in manufacturing, that increases the likelihood of job gains.

**Mr. Ian Howcroft:** We've tracked that for 20 years and will be including that chart in the formal submission we'll be making. As Paul said, we have seen some real progress in making our tax system in Canada and Ontario more competitive, but that's a moving target. Other jurisdictions are also doing that. We're very concerned when we hear about increasing taxes. I know there was a delay in reducing the corporate tax down to 10%. Thankfully, manufacturing was already there so we're able to benefit from that, but the "play or pay" initiative and the concerns we have about increasing taxes is a real concern for us because other jurisdictions are working to make their jurisdictions even more attractive and more competitive.

## 0920

There was a small—what we saw—tax increase for some of our members with regard to the Employer Health Tax. It was good to see the level go up from \$400,000 to \$450,000, but those over the \$5-million payroll are now hit with that tax that was new to them. So that was an issue that we had raised with the ministry. Again, it's good to raise it to \$450,000, but don't exclude manufacturers in there that are now no longer able to take benefit of that exemption.

**Mr. Victor Fedeli:** It's funny. That was an amendment I brought. It was not to exclude them, because that's about \$8,000 or \$9,000 added to every single one of them.

How much time, Chair? Am I down to seconds?

**The Chair (Mr. Kevin Daniel Flynn):** No, you're down to a minute and a half.

**Mr. Victor Fedeli:** I'm glad at that.

On the energy file, I want to talk to you a little bit about—I think you said it was not sustainable, these increases. Can you tell us what some of the manufacturers—I don't want to pick on the government today; I want to talk about the manufacturers. Can you tell us what some of them are doing to lower their energy costs?

**Mr. Ian Howcroft:** They're looking at what they can do to take advantage of the programs that are out there. I think there are some programs, and we have to do a better job of matching with the LDCs. There's still not enough matching between what the LDCs are offering in the system that we have and what manufacturers are looking for. We're trying to do more to actively link those together.

I think we have to look at what the rates are that manufacturers are paying, too, because that's a real concern when we have members telling us that they have four plants in North America and Ontario is considerably higher—the highest one they have. And that's a cost that's looked at. If we want to have manufacturing as part of our future, we have to address the energy concerns for manufacturers.

Paul, I know you wanted to add a bit more on that.

**Mr. Paul Clipsham:** Yes, definitely. That's something that we have to be mindful of, that the United States are being very aggressive in trying to attract manufacturers, and electricity rates are a key part that they're receiving in terms of the incentives. There's the posted rate, which on average is higher, but there are also these incentive rates that we have to be aware of and try and offset that if we can.

**Mr. Victor Fedeli:** The—

**The Chair (Mr. Kevin Daniel Flynn):** That's time. Sorry about that.

**Mr. Victor Fedeli:** Oh, okay. I didn't hear your bell today.

*Interruption.*

**Mr. Victor Fedeli:** There we go. He's got a bell.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Ian, and thank you, Paul, for coming today. We appreciate it.

**Mr. Ian Howcroft:** Thank you very much, and welcome to Oakville. It's my hometown, too, as you know, Kevin. Thanks.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you.

### E.J. NOCK REALTY CONSULTANTS LTD.

**The Chair (Mr. Kevin Daniel Flynn):** Okay, our next delegation this morning is Ernie Nock from E.J. Nock realty. Ernie, if you'd like to come forward. Make yourself comfortable. Like the previous delegation, you get 15 minutes. If you can leave a little bit of time near the end for questioning, the questions this time will come from the NDP.

**Mr. Ernie Nock:** Okay, thank you.

**The Chair (Mr. Kevin Daniel Flynn):** The floor is yours.

**Mr. Ernie Nock:** Thank you for inviting me this morning. My name is Ernie Nock. I'm the broker of record and owner of E.J. Nock Realty Consultants Ltd. I have had my company for over 25 years. We primarily deal in income-producing properties.

Last January, I had heard that the province of Ontario was looking to sell some of their properties, and it was suggested that I contact the Ministries of Finance and Infrastructure, which I did. Unfortunately, at that time, the opportunity to put in bids had expired, and they suggested that I perhaps call back in March or April of that year, and possibly they might have some properties that hadn't been sold that were available. I did call back in April and found out that the program had been delayed and put on hold. Just recently, I saw in the news media that the province was again looking to sell properties that they owned.

I have a client who is arguably one of the largest sale-leaseback companies in the world. They have holdings in the United States and Europe. Their holdings in Europe and the US comprise many different types of real estate, from office buildings—they do industrial buildings, shopping plazas.

Last year, we had the opportunity of looking with them at the purchase of the Scotia tower in Toronto, and that, as you probably know, sold for over \$1.2 billion. Our clients looked at it and felt at the time that the over-a-billion-dollars asking price for that particular property was far in excess of what we could see that the revenue that was currently being acquired through that property was worth.

We are currently negotiating with three properties out west, with an associate of mine. Unfortunately, due to confidentiality, I cannot tell you exactly who we're dealing with.

What is the advantage of dealing with sale leasebacks on properties? I'm not quite sure exactly what properties the province of Ontario owns. I know they own a number of office buildings, and I would assume they are unencumbered. If you have a \$100-million piece of real estate that's unencumbered, it's basically sitting there, and you have no use of those funds.

What my client is prepared to do, and I have spoken to them—they are quite happy to come up to Canada. They have been trying now for a couple of years. I've spoken to them about the possibility of doing business with the province of Ontario and they are quite receptive to that. They look at retaining their properties for the long term of a lease, and they will look at 25-, 35-year leases. Their minimum purchase price is generally in the \$25-million to \$50-million range, but they will put together a number of properties to do that. What they basically do is they put together a fund. The last funds they've put together have been in the \$5-billion range. Then what they do is they put the various pieces of real estate that they buy into those funds. Unlike, say, some of the pension funds or the banks, as I have said, they retain these properties for the life of the lease, which is advantageous to the tenant because, say, over a 25- or 30-year lease period, they're not dealing with three or four different owners that they have to negotiate or deal with. There are a number of advantages to this: able to raise funds on unencumbered properties, the client does not flip the properties, and they are experienced real estate owners.

I've done some investigation as to what the federal government and some of the other provinces are doing, and it seems that the idea of not owning real estate is the key in several provinces, such as Alberta and some of the western provinces. What I am suggesting is that the province of Ontario seriously take a look at their unencumbered properties with the view of doing sale leasebacks. I'm quite happy to deal with them on that.

If you have any questions, I would be glad to hear them.

**The Chair (Mr. Kevin Daniel Flynn):** Very good. Thank you, Ernie. You've left about eight minutes for questions.

Michael?

**Mr. Michael Prue:** You say the key is not to own the property. This sounds very strange to me, because most of the properties that the Ontario government owns are fully utilized, and once they're paid for, we don't have to pay someone else to be in them. I don't see the advantage. I see the advantage to you, but I don't see the advantage to the taxpayer. I can see an immediate cash infusion, but then the long-range cost for 25 years surely has to be more because you have to make a profit.

**Mr. Ernie Nock:** It gives you the opportunity of taking, say, that \$100 million, investing it in programs such as education and health, and to actually utilize that. You are a tenant, and, yes, you do pay rent on it.

**Mr. Michael Prue:** Again, this is slightly different than selling the property, and we have a lot of debates about selling LCBO property, selling things we own, schools. The cash infusion is great at the beginning, but then the long-term loss to the province could be considerable as well.

**Mr. Ernie Nock:** Well, if you sell the property, and you're a tenant in it, you're still going to have to pay a lease payment, so it's really not that much different.

0930

If you were to sell the LCBO, for instance, and you sold it to XYZ Co., as a tenant, you're still going to have to pay whatever the current rent is for that property, so there is really no difference between selling the property and a sale-leaseback because you are still the tenant—unless you want to vacate the property and lease it out to somebody else, which I don't think is the case.

**Mr. Michael Prue:** I'm trying hard to understand a situation where you would pay less in a lease than you'd pay in a property you already own. I'm just trying to think: If I sold my house and then leased it back, I'm sure the person would expect more of a profit than I pay to maintain it myself, because why would they invest all that money?

**Mr. Ernie Nock:** What you're looking at again is utilizing the equity of your property. It's no different than mortgaging your house. The only difference is, when you mortgage your house under the new rules you might get 65% to 70% of the value. When you do a sale-leaseback, you get 100% of the value and you're still paying an interest rate.

**Mr. Michael Prue:** The only other question or comment I would have is: Make sure you get, if you want to consider this—and I'm sure the finance ministry would at least look at it. Get your name in on time and make sure that they're fully aware of all of that.

**Mr. Ernie Nock:** Oh, yes. Yes, that was a lesson learned.

**Mr. Michael Prue:** Okay. And with that, that will be the end of my questions.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Michael. Anything, Catherine?

**Ms. Catherine Fife:** No.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Ernie. Thank you very much for coming today. We appreciate it.

**Mr. Ernie Nock:** Okay, thank you.

#### MOLLY MAID

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation this morning is from Molly Maid. Kevin, come forward. Good to see you again.

**Mr. Kevin Hipkins:** Nice to see you again.

**The Chair (Mr. Kevin Daniel Flynn):** As they're setting up, like everybody else, you get 15 minutes; use that any way you see fit. If you leave some time at the end, it would go to the government side this time for questions.

**Mr. Kevin Hipkins:** Okay.

**The Chair (Mr. Kevin Daniel Flynn):** It's all yours.

**Mr. Kevin Hipkins:** Thanks again for the opportunity to address the committee and make both a similar policy recommendation made last year that would help bring the 60,000 underground operators in my industry above ground and to get them to pay \$500 million in evaded taxes, but even more importantly, to show that when this policy is targeted to seniors, it helps them age at home

and delays the move to more expensive institutionalized care facilities and in the process saves Ontario hundreds, if not billions, in health care costs.

In 2009, Environics determined that 13% of Ontario households paid to have their home cleaned, resulting in transactions totalling just over \$1.5 billion annually. But of this \$1.5-billion total, \$1.2 billion was done in the underground economy, and as a result the government lost out on estimated tax revenues of just under \$500 million in HST, income and payroll-related taxes from the estimated 60,000 cleaners working in the underground economy and scamming the system.

How does an underground economic activity generating \$1.2 billion annually get such little attention? How do 60,000 workers continue to get away with such blatant disregard for their legal and moral responsibility of paying their fair share of tax? I wish I had reasonable answers to these very reasonable questions, but I do not.

What I have is a proven solution and opportunity that is working in EU countries such as Denmark, Sweden and France to harness the labour-intensive maid service industry to deliver increased government revenues and jobs and improve the quality of life for their citizens.

The first part of the policy is to make the transaction taxable by making the industry zero-threshold. Every dollar transacted must therefore be taxed for HST purposes where currently it isn't.

Making the transaction taxable for HST purposes increases the likelihood that personal income tax, WSIB and EHT will also be paid where currently they are evaded. It also provides the additional funding to implement the second part of the policy: providing consumers with a tax credit equivalent to a percentage of what is purchased, up to a specified maximum.

The policy pays for itself and is net revenue positive. Every dollar shifted above ground means the government is generating HST on the transaction itself, and when the person performing the work reports their income, income and payroll related taxes that are currently evaded are also generated.

We start to shift \$1.2 billion of underground transactions above ground. Government starts to realize the \$500 million in revenue they are currently losing out on and, as a society, we start to realize the benefits of moving 60,000 workers who are earning income but not declaring it.

Sweden is a country that has implemented a very similar policy to this, and to see the benefits, I ask you to turn to appendix 8 on page 21 of the presentation in front of you. Swedes get a tax credit of 50% of the labour cost for housecleaning and other services, up to a maximum of \$7,500 per adult member of the family. The policy has completely changed the dynamics of the housecleaning industry, shifting transactions above ground, creating thousands of new jobs and changing consumer attitudes on the moral acceptability of paying anyone in the underground.

While Sweden was able to implement all of the working parts of the policy, Ontario is not in the same situa-

tion. The first part of the policy, a zero threshold, requires Ottawa's support. However, the second part of the policy, a tax credit up to a specified maximum, is within Ontario's control: specifically, a tax credit for seniors for the purchase of housecleaning and other services to help them age at home and delaying the move to more expensive institutionalized care facilities.

It is a politically positive response to the projected doubling of seniors aged 65 and over, from about two million, or 14.6% of the population, in 2012 to almost 4.2 million, or 24%, by 2036. This seismic demographic shift is going to put even greater pressure on health care spending in the future and require creative political and economic solutions, such as this policy.

Ottawa has faced similar pressures since at least the 1970s, with an aging veteran population and the responsibility for providing health care to this population. I want to read a quote from an internal review of the Aging Veterans Program from June 1984: "By the end of the first decade of the 21<sup>st</sup> century, Canada as a whole will face the same pressure for a diversity of age-related support services now faced by Veterans Affairs. Departmental experience in this area could form the basis for preparing age-related health and social services for all Canadians."

The Aging Veterans Program was renamed in 1984 to the Veterans Independence Program, the VIP, and I'm also providing a report on its history. The program pays 100% of the costs for housekeeping, grounds maintenance and other services for veterans to help them age at home. Paying for these services versus paying for health care in an institutionalized facility not only saves money but continues to be the most popular and embraced elements of the program by veterans and their families.

A 2011 report by Veterans Affairs Canada indicated that they were spending approximately \$245 million annually on housekeeping and grounds maintenance services—over 70% of the total VIP program expenditures—and that 92% of service recipients indicated they relied on it to remain living independently. It's no wonder the VIP has been continuously expanded since its introduction in 1981. While it was originally directed to just 300 disabled World War II veterans, because of its popularity and success, it now includes Canadian Forces veterans, primary caregivers, surviving spouses, eligible dependents and even members of the RCMP. There are now almost 110,000 individuals using the program, and it is Canada's longest-running national long-term-home and continuing-care program.

0940

At every stage of its history, VAC officials have argued, as justification for the program or its expansion, that the VIP saves money. Departmental estimates indicate that the savings of providing these services at home versus the cost of intermediate care in a facility for a population of approximately 50,000 people could be as much as \$320 million annually, or \$6,000 per recipient. Ottawa knows that it works for its veterans, and Ontario could make it work for its seniors.

A graduated refundable tax credit based on age, for the purchase of housekeeping and grounds maintenance services for Ontario seniors, would have enormously broad appeal. The credit would have a maximum and apply only to purchases from legitimate providers—those who collect HST and whose employees pay income and payroll-related taxes.

At ages 65 to 74, a tax credit of 40% to 50% could be roughly revenue-neutral, with the credit equivalent to the new taxes collected. For those aged 75 and above, the credit could exceed incremental revenue, with the difference more than offset by the savings of caring for seniors in institutionalized facilities.

A tax credit for the purchase of these services is not a foreign concept. Many EU countries provide consideration to seniors, and closer to home, in Quebec, seniors can receive a refundable tax credit as well as a reduction in the hourly rate charged for domestic help.

The Living Longer, Living Well report is also clear that home care remains a fraction of the cost of institutionalized care and that the province should offer a direct funding program that gives consumers greater flexibility and control over their health care services to support the goal of person-centred care. This tax credit achieves this goal.

Our policy recommendation remains: Make our industry zero-threshold and provide all Ontario residents with a 20% tax credit, up to a specified maximum, for the purchase of housecleaning services. This has the greatest potential of shifting \$1.2 billion of underground transactions, moving 60,000 jobs above ground, and recovering \$500 million in evaded taxes.

In addition, providing Ontario seniors with an enhanced tax credit for the purchase of housekeeping and grounds maintenance services—the same services that Ottawa pays 100% of the costs of for veterans, and has been doing so since 1984—represents a significant opportunity and potential cost savings over the alternative of providing health care in an institutionalized facility.

With the projected doubling of the senior population, flexible cost solutions that are client-directed, and help to keep seniors in their home longer, help move them from institutionalized care back to their own home or help remove them from wait-lists for care, will have a significant and positive impact on provincial health care expenditures and be embraced by seniors and their families.

Adoption of this policy will help to achieve this and will also help to achieve the vision of making Ontario the healthiest place to grow up and grow old. Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Very good, Kevin. Thank you very much. You've left just over four minutes. Steve?

**Mr. Steven Del Duca:** Thanks very much, Mr. Chair. Good morning. Thanks for being here. I just have a couple of questions. I'm sure some of the answers are probably in the document that you've provided, so forgive me, because I haven't had a chance to review the whole thing just yet.

You referenced the fact that there are somewhere in the neighbourhood of an estimated 60,000 people in this

industry currently operating in the underground economy.

**Mr. Kevin Hipkins:** Yes.

**Mr. Steven Del Duca:** Just out of curiosity, how did you arrive at that number, or how did the study arrive at that number? Also, how many people in total operate in the industry? You might have mentioned that at the outset, but I think I missed it.

**Mr. Kevin Hipkins:** The 60,000 is based on the revenue. Everything is driven from revenue. So 13% of Ontario households pay to have their house cleaned and \$1.2 billion of that is done by people paying a worker cash for that transaction. And if we extrapolate it back based on the number of hours worked and the approximate hourly wage, it works out to 60,000 workers.

How many are there in the total industry? Our total employment as an industry is about 15,000 in Ontario, compared to 60,000 underground workers.

**Mr. Steven Del Duca:** But the entire industry, so-called underground and above-ground—

**Mr. Kevin Hipkins:** Oh, \$1.5-billion worth of transactions.

**Mr. Steven Del Duca:** But how many employees?

**Mr. Aaron Abrams:** It's 75,000.

**Mr. Steven Del Duca:** Okay, 75,000; the two combined numbers.

Out of the 60,000, and I think I understand what you're saying about how you arrived at the number, is the suggestion or the suspicion or the claim that the 60,000 are operating completely underground, declaring nothing; they're doing this to a certain extent; they're not doing it at all?

**Mr. Kevin Hipkins:** Declaring nothing.

**Mr. Steven Del Duca:** Declaring nothing

**Mr. Kevin Hipkins:** Yes. There's an implicit understanding. If you pay somebody in cash, you're paying that person in cash to avoid taxes. That's exactly what these individuals are doing.

**Mr. Steven Del Duca:** You mentioned the couple of ideas around the notion of a tax credit. At various points in the presentation, you did reference that it would be revenue-neutral. You probably wouldn't be surprised to hear that most folks who come forward and talk to us about tax credits always make that claim. They do it with the best of intentions, but our experience is that there's no such thing as a revenue-neutral tax credit because it's impossible to cap the subscription. It's always an upwards sort of trajectory. I'm just wondering: Do you have a sense of what the cost would be for both of the tax credits that you suggested?

**Mr. Kevin Hipkins:** Well, it's break-even. If you think about a \$100 transaction right now, that \$100 transaction that's being done in the underground economy has no HST. The minute that you tax that, then you're getting—let's say, for argument's sake, 13%. If the tax credit is 20%, 13% of that is already recovered from the HST. Once the person reports income taxes and then payroll-related taxes are paid on that by the employer, including EHT and WSIB—the government has recog-

nized, through an individual report, that the cost advantage is 30% to 35%, just based on income tax and payroll-related taxes. At the low end, 30% of that \$100 transaction, 13%, which is the HST; that's 43%. We're giving out a tax credit of 20%. It's revenue-positive.

**Mr. Steven Del Duca:** Okay, great. Thanks very much.

**The Chair (Mr. Kevin Daniel Flynn):** Very good. Thank you, Kevin, for coming today. Appreciate it.

**Mr. Victor Fedeli:** I'm missing that bell.

**Mrs. Donna H. Cansfield:** Where's the bell?

**The Chair (Mr. Kevin Daniel Flynn):** The bell is 49 seconds away. Are you saying the bell is the only thing keeping you guys up?

**Mr. Victor Fedeli:** Well, it's Pavlovian. Bell: Go get coffee.

## BUILDING UP OUR NEIGHBOURHOODS

### PEEL POVERTY ACTION GROUP

**The Chair (Mr. Kevin Daniel Flynn):** Our next presenter is Catherine Soplet. Catherine, you're all set up, I understand. Good to see you. Like everybody else, 15 minutes; use that any way you see fit, Catherine. Save a little bit of time at the end for questions if you can. The questions this time will come from the Conservative Party.

**Ms. Catherine Soplet:** Thank you very much. I'm happy to be here this morning. I'm a member of Peel Poverty Action Group, and I'm the lead strategist for Building Up Our Neighbourhoods. Building Up Our Neighbourhoods is my brand to connect residents to literacy and health. I'm an advocate in public education. In particular, the tool I will present to the committee this morning is Parents Reaching Out Grants. For my efforts to raise awareness and cite the grants, I received the 2013 Award of Excellence from the Ontario Public School Boards' Association. I'm a director of the Canadian Transportation Education Foundation. In 2013, CTEF made a \$25,000 donation to the Bramalea trucking and coach technology high school specialization program operated by Peel District School Board in Brampton through Bramalea Secondary School. I'm a member of the volunteer committee of the Institute for Canadian Citizenship, and I am employed as a piano accompanist at a nursery school.

With me today I have Anastasia Tolias of Ellinida.com. We listened with great interest to the presentation that you just heard. Ellinida.com is specializing in community development with a view to transitional housing for marginalized mental health and criminal justice system people, to affordably house them and reintegrate them into civil society.

Today I will be speaking to you about "The Future of Public Education: The 'Youth Action Plan' is 'Investment Ready.'" So the asks of today are to mainstay and augment availability of Ministry of Education Parents Reaching Out Grants and to pilot a 2014 economic

development strategy concept for the Ministry of Municipal Affairs and Housing using the grants, by supported uptake of Parents Reaching Out Grants to deliver the Youth Action Plan in identified Investment Ready sites. These concepts—Youth Action Plan and Investment Ready—are policy initiatives that were implemented in 2012 and 2013.

0950

Thirdly, pilot a 2014 site replication of YEP education. It's a youth tutor model which currently operates in Regent Park. It has twice received Intercultural Innovation awards from the UN. It is looking to scale sites and to get data in order to better deliver Ontario's Immigration Strategy.

First of all, I've introduced myself. The rationale for the asks deals with my involvement with Peel Poverty Action Group. The tool of the Parents Reaching Out Grants responds to Ontario's Poverty Reduction Strategy. The Parents Reaching Out Grants deliver the Youth Action Plan 2012. Municipalities drive prosperity, so what we need to know is how to position levers for 21st-century knowledge economy production, and that's the concept.

The third-sector role in public education is the next step; that's YEP education. Here is the report for the five years—2008 to 2013—on the Ontario Poverty Reduction Strategy. In 2009, the 2008 report was unanimously adopted. In 2011, there was a tip in outcomes from a widespread uptake of Parents Reaching Out Grants in the region of Peel and also in the Toronto District School Board—Model Schools for Inner Cities. At that time, the minister of the day, Ms. Dombrowsky, affirmed that the grants would continue, and they have.

In 2012, we had the Youth Action Plan, which resulted from the shootings. What that did was it conjoined the Ontario Poverty Reduction Strategy with the Review of the Roots of Youth Violence, which had been, until that point, shelved. In 2013, we had our consultations for the Ontario Poverty Reduction Strategy. The concept, which you will learn about at the end of the presentation, has been filed with nine out of 19 of the consultations held across Ontario.

The Ontario Poverty Reduction Strategy has eight indicators. Two of them are education-based, where the arrows are. We are speaking about the EQAO scores and high school graduation rates.

Where Parents Reaching Out Grants place, literacy and student outcomes improve. The effect is especially seen in schools serving high-settlement and income-gapped families.

This is a graphic which depicts what has happened in the region of Peel. For the five years ending in 2012, Peel District School Board reported education graduation rates from high school had increased 10% over five years. As we can see, they are tracking ahead of the provincial standard. To the right, we have a map of Mississauga. The red dots represent 10 out of the top 100 schools in the 2012 ranking of the Fraser Institute Report Card on Ontario's Secondary Schools. So 10 out of 100 is a 1%

cluster of high-ranked schools. The red dots are the schools. It happens that the red dots locate in underpinning villages of Mississauga.

We know also that the region of Peel is facing poverty. There was a three-part series reported in the Toronto Star in April 2013. The interesting question is, how can education outcomes be tracking upwards in a place that's facing poverty, where the population has doubled in 15 years, where 50% of people are born somewhere else and where more than 90 languages are spoken? If we're getting excellence out of that chaos, how is that done? The answer is, Parents Reaching Out Grants.

The Parents Reaching Out Grants in 2010 received an international award from McKinsey and Co. What the parent grants do is resource parents in self-selected activities which are of one academic school year duration. They work with principals and educators to resource parents to learn how to help their children do better in school. Because they can tailor to the community and to the context, then in high school you would have a different program which responds to student needs than you would in a primary school that would be located in a high-settlement, income-gapped neighbourhood.

This is the Youth Action Plan conjoining in 2012 the Ontario Poverty Reduction Strategy with the crime prevention framework. When I showed this diagram to a deputy minister at the Ministry of Children and Youth Services, he immediately acknowledged this was what he saw.

Parents Reaching Out Grants, because of their success and profile, have been included in the most recent iteration of the Ministry of Children and Youth Services document Stepping Up.

Civic engagement, which leads to social cohesion, is a social determinant of health. Parents Reaching Out Grants are good for students, and they're also good for parents.

The third-sector role: This is the next step of the development in public education. The Parents Reaching Out Grants were identified by Ben Levin, who was first involved with them in 2003, as producing outlying leveraging results.

Parents Reaching Out Grants put the face, the technology and the regional context of the community onto the school landscape, where it's parametered for diversity, equity and inclusion.

I made a submission to the Drummond commission in January 2012. I had three asks: The first was to mainstream and augment the availability of Parents Reaching Out Grants. I drew attention to the fact that schools anchor neighbourhoods, attract talent and build prosperity. The third ask was for a pilot site of what we now know to be the education youth tutor program.

How schools attract "talent": In 2010, the Martin Prosperity Institute identified the five chief factors which attract talent. Why do we want to attract talent? Because these are the engineers, the entrepreneurs, the inventors and the innovators who help to re-key the economy into the 21st century. If you do not provide the environment

for people, they will not come. Because they are mobile, they will go somewhere else, and that's what we see.

The Drummond commission was flavoured by the Ontario Chamber of Commerce activities and the Mowat Centre for Policy Innovation. In 2012, just prior to the Drummond commission report, they released Emerging Stronger. They had five asks. All of these asks of the Ontario Chamber of Commerce are addressed by outcomes of the Parents Reaching Out Grants, particularly restoring fiscal balance by improving the way government works.

How and why parent grants work: They grow the top line, reduce social costs, restore fiscal balance and put in the building blocks for prosperity.

The policy framework on the right is different documents from the Ministry of Education, the chamber of commerce and the Ontario Principals' Council. It acknowledges the transparent metrics which are used to evaluate the grants.

In November, the Mowat Centre for Policy Innovation said we have to start conjoining development with development of human capital. I said that in August 2013 when I publicized on Twitter that we need to have a targeted uptake of Parents Reaching Out Grants matched with Investment Ready economic development.

The Parents Reaching Out Grants offset against a matrix of—Chrystia Freeland, in her op-ed of July 2013, said the path to prosperity is public education, entrepreneurship and business success, which aligns with the public good, offsetting against my submission to the Drummond commission, which said schools anchor neighbourhoods—that's literacy—attract talent—that's parents—interface face, context and technology on the school. Prosperity, of course, reduced crime rates, improved education outcomes and an interface where the skills base of the region is augmented.

We want to place the pilot for an uptake of targeted Parents Reaching Out Grants at the Interministry Community Development Initiative. As we can see, there is no attachment to education in this economic development interministerial committee.

This is the big picture. We are now sitting at year 7 in a 10-year timeline. This bottom right-hand corner of the document which you have received is the bid to pilot Parents Reaching Out Grants targeted and tied to Investment Ready sites.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Catherine. You left a little bit of time for questions, almost three minutes.

Ted?

**Mr. Ted Arnott:** Good morning, Ms. Soplet. Thank you very much for your presentation today. You covered a lot of ground in about 10 minutes and introduced a number of concepts that I don't think the committee has heard to date in the hearings, so it's very helpful in terms of this committee's work, which of course is to listen to the public input that we receive and then make recommendations back to the Minister of Finance before the provincial budget. Thank you very much for that.

## 1000

There's no question that all members of the House, I think, would want to see greater progress on poverty reduction in the province of Ontario and in Canada, generally, but of course we differ, in some cases, about the best way to do it. There's no question, as well, that the government has raised expectations that they're going to have a meaningful and effective anti-poverty strategy, and many people have been disappointed with the government's action in that respect.

You mentioned that Parents Reaching Out Grants are a big part of this, and I was interested in one of the slides that was presented to us that indicated that \$21 million has been spent on these grants since 2006, I believe. So that would be approximately \$3 million a year that the government has allocated; is that correct?

**Ms. Catherine Soplet:** It's not so much about an allocation as it is an increasing uptake. For example, in 2010-11, when I was attached to a \$22,000 Parents Reaching Out Grants cluster—so an \$18,000 regional grant and four independent schools—that represented about 20% of what the Peel District School Board accessed in that year. For 2012-13, they accessed in the neighbourhood of about \$145,000. The opportunity of the grants is great; the difficulty is that they are not equitably accessed. So 2012-13 was the first year in which each of 72 public district school boards obtained at least one grant. It took until 2012-13 for all of the identified priority schools to access the grants.

Once the schools get the grants, they tend to get them again. We teach people to fish.

**Mr. Ted Arnott:** So the school boards make applications, I assume; it's not a direct grant—

**Ms. Catherine Soplet:** No, no. It's the parents and the schools with the councils. It's not the school boards.

**Mr. Ted Arnott:** But the money is funded directly to the schools around the school board? It would have to go through the school board, would it not?

**Ms. Catherine Soplet:** The money flows to the school boards. It's provided to the individual schools, and they account for it rigorously.

**Mr. Ted Arnott:** Yes, I was going to ask that question. How are the programs monitored for effectiveness?

**Ms. Catherine Soplet:** Every grant has to report back to the Ministry of Education, and the metrics that are used are those for school success, and further evidence is applied when the EQAO and other standardized testing happens.

**Mr. Ted Arnott:** Okay. Thank you very much.

**Ms. Catherine Soplet:** You're welcome.

**The Chair (Mr. Kevin Daniel Flynn):** Very good. Thank you, Catherine. Thank you very much for presenting today.

**Ms. Catherine Soplet:** Thank you.

## COMMUNITY DEVELOPMENT HALTON

**The Chair (Mr. Kevin Daniel Flynn):** As Catherine unhooks here, we'll call up the next delegation:

Community Development Halton. Joey and Ted, if you'd like to come forward. Welcome, good to see you.

**Dr. Joey Edwardh:** Welcome, everybody, to Halton, and good morning. We don't often have visits like this, so we are delighted.

**The Chair (Mr. Kevin Daniel Flynn):** Like everybody else, you'll have 15 minutes; use it any way you see fit. If there is time left at the end, the questioning this time will go to the NDP. It's all yours.

**Dr. Joey Edwardh:** Wonderful. My name is Joey Edwardh and I am the executive director of Community Development Halton. I have with me Ted Hildebrandt, who is our director of social planning.

Community Development Halton is an independent, non-profit research and development group that works to improve the quality of life of the residents of this wonderful region.

CDH is making representation to you today because we see the budget as an investment tool or vehicle to put life into vibrant public policy and programs in order to create a fair, equitable and prosperous Ontario for everybody.

First of all, we start by asking us all to think differently. We believe—over time we have watched, but we believe that government investment is in need of a new guiding framework that allows us to set aside what I'm going to call our "old think." Enough is enough. The international, national and local data is equivocally clear, but the old think of austerity and of neo-liberalism—set that aside and embrace new perspectives, such as that on human rights and the social determinants of health. You've had mention of one already. Both human rights and the social determinants of health address the complex interaction and interdependence of social and economic phenomena. Neither separates economic development and social development as if they were different, unrelated processes, their outcomes separate. Both perspectives bring us to the common challenge of this decade: inequality, the long-term impacts of inequality.

For your reference, I have a quote from the Universal Declaration of Human Rights. Think 1948 and read that quote.

For your reference, I mention the Canadian Medical Association, which did a cross-national tour and consultation in 2013 and, like the Universal Declaration of Human Rights, called on four major determinants that affect the well-being of all people: issues of income security, housing security, nutrition and food security, and early childhood development.

Flowing from our work, which is deep in community—deep in community, where we sit at a different level; we see things in a different way. But bounded by these two perspectives, human rights and the social determinants of health, we want to bring to your attention three interacting, interdependent components—income security, housing and transportation—where evidence-based investment could make a real difference. Now I say evidence-based investment could truly make a difference in the quality of life of people. Investments address-

ing these concerns will reduce morbidity and prevent downstream costs to the health and social services systems. Importantly, these investments will stimulate job creation and create modern infrastructure.

Income security: There's some text here. I will just go to the fact that, again, deep in our working community and, by the way, in community in one of the most affluent regions not only of Ontario but of Canada—so we're talking about poverty, exclusion, the working poor, in one of the most affluent places in our nation and our province. But what we're picking up as we work with ordinary, extraordinary people is that there's a strong belief at the local level that the government of Ontario has not heard the voices of those in search of shelter, healthy food, warm clothing and safe places.

A human rights approach or framework and a social-determinants-of-health framework implies that an income from social assistance and from work keeps people out of poverty so that the basic necessities of life are met. So we, CDH, urge you to move forward with your social assistance reform. Much valuable study and community consultation has occurred. However, no social assistance reform can create a viable system for the future if we don't start thinking differently. That new thinking is undergirded by, again, international, national and local research.

In any reform of social assistance, we must include a rates board. A rates board, by the way, has been championed by one of your colleagues and one of our colleagues in Halton, MPP Ted McMeekin. This rates board would determine social assistance rates based on the cost of living. It would be an independent board.

We also recommend very strongly that in this budget 2014 you immediately increase the basic needs allowance for all recipients of Ontario Works and the Ontario disability support payment by \$100, as only a first step in even getting somewhere close to adequacy.

#### 1010

We recommend that you index immediately Ontario Works and the Ontario Disability Support Program to the cost-of-living annual inflation rates. And we bring a message from people in one of the most affluent regions of this area that reform can be and could be supported by tax options, and some of that may be new taxes.

Today is the celebration of a campaign across our province on the minimum wage. We didn't plan to be here to talk about the minimum wage and have the campaign, but I celebrate the initiatives of my colleagues across this province saying, "There's something wrong. Let's look at the issue."

In Halton, the minimum wage is equal to being poor. It's that simple. The data are there. It's just simple: being poor. What does that mean for the life of people, their children? We have done some research and produced a video called *Being Poor in Halton*, and that video documents the choices, the shortfalls, the hardships and the truncated opportunities.

The minimum wage, as we all know, has been frozen at \$10.25 since 2010. In that time, the cost of food,

shelter and transportation has escalated. Inflation has driven down the minimum wage by 19%. The freeze on the minimum wage drags down workers' wages and increases inequality and certainly hurts our local and provincial economies. Therefore, we recognize and recommend that this committee commit to the principle of a minimum wage that should ensure that people in this province who work full-time, full-year—I emphasize that: full-time, full-year—earn an annual income above the government's definition of poverty, the Ontario income poverty line, LIM50, and to implement a plan that will begin the process of achieving this, along with a commitment to the annual adjustments according to the cost of living.

We recommend that you implement a minimum wage of \$14 to bring workers and their families above the poverty line, and that is only 10% above the poverty line. None of us sitting around this table live on that income.

We have worked on a living wage. In calculating a living wage for Halton of \$17.05, the items that most affect the numbers in the living wage are the cost of housing, the cost of transportation, and child care. If living wages are to be balanced differently in different communities, it is those effects that you, as a government, can most easily talk to.

We have recommendations in housing. We believe that the government of Ontario needs to adequately invest in the Ontario Long-Term Affordable Housing Strategy—it needs to move forward; and to use existing tools to leverage further engagement of the private sector to develop a range of housing options. Again, infrastructure development can be supported by a range of tax options.

Transportation: We live in a community that suffers from a lack of transportation. Adequate public transportation is lacking in Halton, and there are no affordable alternatives. For example, when we calculated the living wage and when we calculated the costs of the minimum wage, we could not calculate public transportation in those costs in Halton because it doesn't exist. We had to calculate in a car.

We recommend that the government of Ontario move with intra- and inter-municipal transportation plans and invest heavily in that necessary infrastructure. That, again, would be supported by adequate tax options.

To conclude, the people of this province want to work with you; the people of Halton want to work with you; but we do look to you, through your budget allocations, to do five important things:

(1) Protect the unemployed, the poor and the vulnerable by providing sufficient income to guarantee the necessities of life;

(2) Invest in a major stimulus plan to create jobs that guarantee full-time, full-year earners a living above poverty;

(3) Lay the foundations for a more sustainable economy that more fairly and equitably benefits all Ontarians;

(4) Recognize the important role of progressive taxation in building a fair, equitable and, I might add, civilized society; and

(5) Through our policy options, nurture a culture of dignity and respect for human rights.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Joey—

**Dr. Joey Edwardh:** Thank you, Kevin.

**The Chair (Mr. Kevin Daniel Flynn):** —for your presentation.

The questioning this time around comes from the NDP. Michael or Catherine, you've got about a minute and a half.

**Ms. Catherine Fife:** Thank you.

**Dr. Joey Edwardh:** Sorry, guys.

**Ms. Catherine Fife:** That's okay. It was a very comprehensive presentation, so thank you very much.

Interestingly enough, the same quote was read to us yesterday. I hope that actually we hear it at every stop. It's a good reminder of how much work we have to do.

In the package that you presented, you've also—and there are great similarities, actually, between Waterloo region and Halton. There's great wealth there, and poverty hides incredibly well. We have a lot of work to actually push that agenda forward.

In your presentation, I think this is the Halton perspective review, you actually talk—some of the voices of poverty, the lived experiences of poverty, are some of the most powerful. People in this jurisdiction for some reason feel embarrassed or ashamed to even access services. Can you expand on this a little bit? Because this is about public service and providing dignity through public service, I think.

**Dr. Joey Edwardh:** We had the opportunity to do an amazing study, a participatory observation study, of 600 people. We went into schoolyards, into Timmies, into factories, into playgrounds, and we talked to people. We talked about what was going well and what wasn't. And in that—

*Interruption.*

**The Chair (Mr. Kevin Daniel Flynn):** Keep going.

**Dr. Joey Edwardh:** In that, people began to talk about how they're treated when they search out the supports that we have. Clearly, what people said was, how we offer the programs that we do, the criteria that surrounds them, makes them feel inferior.

As we drove over here, Anna Maria Tremonti was interviewing somebody who was also working poor and on social assistance—the same message. We have somehow lost our compassion and our understanding in our rules, in our rigidities, to make sure we're never ripped off.

We also know, through international studies, American studies, Canadian studies, that that is one of our myths, that the percentage of people who abuse our systems is, in fact, quite low—I'll say 2% on social assistance.

**Ms. Catherine Fife:** Yes.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Joey, and thank you, Ted, for coming today. A great presentation.

**Dr. Joey Edwardh:** Thanks, Kevin. And again, welcome to Halton. Nice to see you here.

## APPRENTICELMS LTD.

**The Chair (Mr. Kevin Daniel Flynn):** Our next presenter this morning is from ApprenticeLMS Ltd. Erik, if you'd like to join us.

**Mr. Erik Hamalainen:** Good morning.

**The Chair (Mr. Kevin Daniel Flynn):** Good morning. Make yourself comfortable. Do you have a handout?

**Mr. Erik Hamalainen:** Yes, do you all have my—

**The Chair (Mr. Kevin Daniel Flynn):** Okay, that's being handed out.

**Mr. Erik Hamalainen:** I think you've had it several times now. I think some of you have met with me.

**The Chair (Mr. Kevin Daniel Flynn):** Okay. Like everybody else, 15 minutes; save as much time as you like at the end for questions. The questions this time will come from the government. The floor is yours.

**Mr. Erik Hamalainen:** Thank you for having me this morning. I think everybody here has somehow had contact with myself or one of the companies that I represent.

I'm from ApprenticeLMS Ltd. We're an IT company that specializes in software for IT trades. In the 2013 budget, there was a removal of the Apprenticeship Training Tax Credit for the IT trades—three of the five trades—and I want us to look at that, and that's being handed out right now.

1020

There's actually five trades in the IT sector. We understand that there were some very low completion rates in the call centre trades, but there are actually five trades. The budget amendment in 2013 affects one of the trades. I don't know if the decision was made in haste or error, but if we can take a look at this trade summary—and feel free to just ask questions, because I know you've seen this in the past already.

What we consider the call centre trades is the 634D and 634E sales agent and customer service agent. These are entry-level jobs, so for a lot of people, this is their first job out of high school or college. If they get this core training, they might be able to move into the IT trades.

For many companies, their attrition is internal, where they get this core training and they move into a technical support role. If you look at the centre: 634A, technical support agent, has the common core training of the entry-level trades. But now there's an additional 90 hours of training in IT. These people go on to work in hardware and networks, which is really the backbone of IT today.

In the old days, when computers first came out, and I'm from that era, we all had an IT in the backroom who used to come running. In today's world, you pick up a phone, or you send a text message or an email, where a help desk ticket is created, and these network and hardware people fix your computer. They take it over remotely, which means they have access to your banking and other personal information on your PC. So if someone was working in your home as a tradesman, you'd probably want them certified. Well, if somebody's working in your computer, would you want them certified? I think the answer is yes.

So when we talk about these entry-level trades, I think we have to establish that they lead into what we call good jobs. These are good Canadian jobs, and because they can be done remotely, these jobs can be done from Georgia, Florida, South Carolina, where there's a lot of investment right now into getting jobs from Ontario.

Are there any questions regarding the five trades? We're not here to talk about call centres today.

**The Chair (Mr. Kevin Daniel Flynn):** All the questioning will come from the government side. The best thing to do would be to go through your presentation, and then we'll do all the questions at once.

**Mr. Erik Hamalainen:** Okay. Thank you.

We have five trades, so what we're here to talk about today is a motion—it's currently a private member's motion before the House, and it's in bold at the bottom of page 1. What we are doing is recommending that the ATTC—the Apprenticeship Training Tax Credit—be reintroduced to the contact centre trades.

The reasoning behind the removal of the Apprenticeship Training Tax Credit was because of low completion and certification rates. While this recommendation, which I believe has been supported by—I've spoken to members of all three parties, and they agree that this would be a good recommendation.

So to start with, for 634A, for the technical support people, right now they can get 48 months of tax credits—the employer can get 48 months of tax credits. We'd like to reduce that to 36. Again, this would be a deficit-cutting measure.

But we also don't want to give these tax credits out unless they complete level 1 exams. So in a tech support trade, you have a level 1 and a level 2. The entire premise of removing the tax credit was nobody's training; nobody's finishing the program. Well, we want to put in measurable, auditable measures that say, "Okay. The tax credit eligibility is based on finishing a level 1 exam; that's pretty much the first year," where they'd get the full tax credit if they graduate and finish level 2.

Now, for what we call those entry-level contact centre trades, 634E, customer service, and 634D, IT sales, we would like to have that eligibility moved to "upon program completion/certification," and to reduce it from 48 months to 24 months.

Again, when we talk about low completion rates affecting the tax credit, there's absolutely no possibility of a low completion rate affecting tax credits. The numbers mentioned in the budget document were something like \$45 million given out to companies that literally didn't train people. This removes that. These measures and statistics are available to the government now, and they have been available for many years now. Again, I'm here today to ask you to pass this motion, or to assist in passing it through the House.

I represent 43 IT companies, of which four work in the call centre space, so the majority of these people are working in this 634A tech support agent role. They're training people for good jobs, the good jobs of the future. They're people who are going to make \$50,000, \$60,000 or \$70,000 a year.

The commitment to training over four years—the employer's not getting back all of their investment. They're just getting back a small portion, so this recommendation makes sense. It reduces the deficit and it can be audited.

That's basically what we're here to ask today. Now, knowing that you've had this recommendation and other documents sent to you by many companies, I was hoping that, once I present this, you might have an opportunity to ask me questions and give you the floor at this point.

**The Chair (Mr. Kevin Daniel Flynn):** That's exactly what we intend to do, so thank you for your presentation. You've left about seven minutes. Who's going to be asking from the government side?

**Mr. Steven Del Duca:** I'll start—

**The Chair (Mr. Kevin Daniel Flynn):** Steve?

**Mr. Steven Del Duca:** Just a quick question. I think I understand what you're proposing here. Just out of curiosity: You're suggesting that the government consider reinstating forms of the Apprenticeship Training Tax Credit for a couple of different trades but tie the flowing of the tax credit to various forms of completion?

**Mr. Erik Hamalainen:** Absolutely.

**Mr. Steven Del Duca:** So, just out of curiosity, do you know if, across the rest of the trades outside of these specific trades that qualify for the ATTC, there are any others for whom this particular tax credit is tied to completions?

**Mr. Erik Hamalainen:** Currently, there is not. The Apprenticeship Training Tax Credit, based on the CRA tax bulletin, is based on dates of registration and the salaries that you pay them.

**Mr. Steven Del Duca:** Okay.

**Mr. Erik Hamalainen:** So, what we're asking for—and yes, this could be rolled out to other trades—is that before we hand out tens of millions of dollars, maybe we should make sure that some actual training is taking place.

**Mr. Steven Del Duca:** Okay. And are you aware that in the fall economic statement that the government announced back on I think it was November 7 of last year, there was a reference in that particular statement to providing—"transitional support" is not the right word, but there was some discussion in the fall economic statement about how to deal with some of the fallout that was taking place in the industry from the decision made in the 2013 budget.

**Mr. Erik Hamalainen:** I'm glad you mentioned fallout, because transitional support—the IT companies take that as "we're transitioning you out of Ontario," and I can list companies that have been contacted by Georgia, Mississippi, South Carolina and New Brunswick who are offering top dollar to move your jobs there.

**Mr. Steven Del Duca:** But just to be clear, not through apprenticeship training tax credits in those other jurisdictions.

**Mr. Erik Hamalainen:** Oh, some of them absolutely do.

**Mr. Steven Del Duca:** In some of the conversations that I've had with certain municipalities, for example,

that have concerns, the one thing that always strikes me as a bit unusual is the notion that, in order to continue to provide a bit of a competitive advantage here in Ontario—for, in some cases, an apprenticeship that's two or three years long, or whatever the case may be—these particular tax credits need to continue to exist.

But some of the questions or some of the feedback that I have had—and this is why I get a little bit confused about the need for this particular measure in this specific industry: If the apprenticeship is only designed to be two years long, how is it possible that the difference between a company staying in Ontario and leaving Ontario is the existence of this particular tax credit? Because in theory, if your students—your employees—are completing, at the end of that second or third year, the tax credit would no longer apply.

So unless you have a really remarkably high turnover, which I believe this industry does, so that the tax credit, historically, has tended to flow on an ongoing basis as opposed to having a finite term of two or three years—it just seems to me that this particular tax credit is poorly equipped or poorly designed to deal with this specific industry, which might help to explain why the government took the steps that it did in the first place.

**Mr. Erik Hamalainen:** That's why we need to separate the five trades. There are two trades that typically have high attrition, and these trades are the two-year trades where we've got three- and full-four-year trades. This attrition—most often, they move into a more advanced job. So, yes, they're no longer in that position, and you have to backfill for that position, but they're moving up the ladder. They're paying higher wages; they're paying higher taxes. So that does happen.

1030

**Mr. Steven Del Duca:** In that case, why wouldn't they start in the so-called higher trade? Why would they start in the more entry-level trade?

**Mr. Erik Hamalainen:** It's easier access to the job itself.

**Mr. Steven Del Duca:** Interesting.

**Mr. Erik Hamalainen:** I've been in staffing for over 23 years. Quite often, you hire internally; you promote internally from within. Those people who were in that entry-level job are, five years later, a supervisor or a manager.

**Mr. Steven Del Duca:** Okay. Donna? Bob?

**Mrs. Donna H. Cansfield:** No.

**Mr. Steven Del Duca:** I'm good for questions. Thanks very much.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much for coming this morning, Erik.

#### ONTARIO WASTE MANAGEMENT ASSOCIATION

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation this morning is from the Ontario Waste Management Association: Rob and Peter, if you'd like to come forward. Make yourselves comfortable.

**Mr. Rob Cook:** Yes, thank you very much, Mr. Chairman and members of committee. It's a pleasure to be here and talk to you a little bit about the 2014 budget—but more a change of pace and talk a little bit about waste management and recycling. I know you're looking forward to that.

**The Chair (Mr. Kevin Daniel Flynn):** Always. You've heard the rules?

**Mr. Rob Cook:** Yes.

**The Chair (Mr. Kevin Daniel Flynn):** Fifteen minutes: Use that any way you see fit. The questioning this time will come from the Conservative Party.

**Mr. Rob Cook:** Thank you very much.

**The Chair (Mr. Kevin Daniel Flynn):** It's all yours.

**Mr. Rob Cook:** Members of the committee, the Ontario Waste Management Association is broadly recognized as the voice of the waste management sector in Ontario. We represent over 300 members across the province, including private sector companies, public sector municipalities, and organizations and individuals involved in the waste management sector.

Together, our members manage over 85% of the province's waste and recyclables. Our members have diverse interests and capital investments in areas such as waste and recycling collection, landfills, transfer stations, material recovery facilities, energy from waste facilities, and organic processing and composting infrastructure, as well as hazardous waste.

The waste management sector provides an important environmental service by managing over 12 million tonnes of waste created annually by Ontario's residents and businesses, and that equates to over one tonne per person every year in the province.

The sector directly contributes annually over \$3 billion in revenue to the economy, roughly \$300 million in capital expenditures, and over 14,000 direct jobs as a result.

The average wage paid to these employees in the waste management sector is 22% above the provincial average wage—very different than the public's normal perception of what a garbageman might make.

Last year, we released a report which provided a blueprint for harnessing the economic benefits of resource management in Ontario. The report, which I believe is available to you, is entitled ReThink Waste. The report underlines the enormous opportunity associated with increased waste diversion to address economic growth, create well-paid jobs and meet environmental objectives.

Dozens of studies from around the world and throughout North America highlight the significant economic development opportunities associated with greater waste diversion. Seven jobs are created in Ontario for every 1,000 tonnes of waste diverted, and the economic benefits of recycling are four times greater than the net cost to recycle. Based on these numbers, if Ontario was to increase its diversion from under 25% currently to 50%, the province could increase investment by \$1 billion and increase total jobs—indirect and direct—by over 20,000.

It's not just the material and energy value of the waste that is lost when waste is disposed, but also the business opportunities associated with recycling and with integrating recovered resources into new products and packaging that can be sold again. We would be rerouting these raw materials and energy potential back into Ontario's economy after appropriate processing.

This is not a new concept. Jurisdictions throughout the world and in North America are moving forward with strategies to take advantage of waste diversion as an economic driver. As they do so, Ontario is being left behind.

I'd prefer to leave some time for questions, so I'll just briefly touch on some of the recommendations in the report that I think are of value to this committee.

Our recommendations include harnessing the economic value of waste as a resource by developing a long-term economic strategy based on sound data and utilizing various economic instruments such as disposal bans and extended producer responsibility.

We recommend a review and overhaul of Ontario's waste diversion regulations to reduce the amount of valuable resources going to disposal and ensure that adequate financial resources are available to enforce those regulations.

We recommend reviewing opportunities for the use of different forms of service delivery like delegated administrative authorities or other arm's-length bodies to help improve regulatory outcomes, strengthen enforcement, oversee Ontario's waste diversion programs, and better track waste management data in the province.

We should continue to modernize the environmental approvals process to ensure better environmental protection through higher environmental standards, applied uniformly across the sector.

We also recommend restructuring the financial assurance requirements for waste management facilities in Ontario and to move them to a risk-based, pooled-fund model.

We strongly believe that much can be achieved through an amended Waste Reduction Act and strategy, known to all of you as Bill 91. The act and strategy represent a culmination of the last 10 years of concerns and solutions brought forward by businesses, municipalities, the waste management sector, consumers, the Environmental Commissioner and all three political parties. Everyone agrees that our current waste diversion framework is broken. It has failed consumers, the economy and the environment.

Numerous controversies over eco fees, repeatedly missed diversion targets, major marketplace disruptions, and the fact that our province's waste diversion rate has essentially flatlined at only 25% illustrate that the current legislation is unworkable. Sending 75% of our waste to disposal makes little economic sense. The Waste Reduction Act is economic development legislation. Unfortunately, the act has become the centre of a bit of a political circus, with heightened gamesmanship, neither of which is in the interests of Ontarians.

We strongly urge all political parties to redouble their efforts to get this bill to committee for public hearings and the appropriate amendments. Despite the rhetoric, the parties and the stakeholders, we believe, are not far apart, so let's try and find a solution.

Finally, just a few comments on MPAC. It's a major issue that has evolved for our sector. Certainly we've supported the steps taken in the 2013 budget to review Ontario's property tax system with a specific focus on MPAC itself as an agency. We have been concerned with what appears to be a separation of MPAC from any direct supervision and policy management by the province, resulting in a lack of accountability for some of its actions. Recently, the minister was forced to step in when MPAC changed the methodology for landfill assessment with absolutely no consultation and little research on the part of MPAC. This new methodology would have increased private and public landfill assessments by up to 4,400%, with increased tax payable to small municipalities by between two to 100 times their current levels. These changes had substantial impacts on both municipalities and the private sector, and concern was expressed fairly quickly. MPAC needs to be accountable and consultation needs to be properly undertaken when changes of this nature are considered in the future.

Although a conclusion has not yet been reached on this issue and the minister has released his report, we would hope that the government will give consideration to the proposed regulation we have brought forward on behalf of both private and public sector landfills. We believe that our regulation and our approach will clarify and refine the assessment methodology applied to landfills to ensure that it is equitable.

Thank you very much, and I'd be happy to answer any questions.

**The Chair (Mr. Kevin Daniel Flynn):** Great. Wonderful, Rob. Thank you very much.

Questions this time will come from the Conservatives, and you've got about six minutes.

**Mr. Victor Fedeli:** Thank you very much, Chair, and thank you, Rob, for being here and the presentation. Thank you, Peter.

I wanted to just start with MPAC, where you ended off. Can you tell us a little bit more? As the finance critic, I've had many people in my office come and talk to me about this MPAC situation. Can you elaborate a little bit about what you're hearing from your members?

**Mr. Rob Cook:** Sure. It's a bit of a complex issue, so I'll try and deal with it very quickly. As you know, the Assessment Act in Ontario requires land to be valued for municipal taxation purposes, and it's generally the value of land alone—unencumbered, fee-simple transactions of property. MPAC has increasingly, in the case of landfills, started to look at assessment models that arguably start to include business value.

1040

**Mr. Victor Fedeli:** Much like they do a shopping centre.

**Mr. Rob Cook:** Yes. So when you look at market value and something sells—an example of what brought

this issue forward was the city of Toronto buying the Green Lane landfill near London for \$220 million, and MPAC concluding, "Well, that's what a landfill is worth, so our assessment methodology needs to reflect \$220 million."

The argument is that, in fact, there's a huge going concern or business value, or other intrinsic value, that's built into that sale price. So MPAC's model was really designed to reflect a market value that I think most stakeholders don't really believe is a reflective price of a landfill. It includes a business value, which it shouldn't. The implications of that are—whatever the methodology ends up being, the concern is increased cost on landfills. Tax increases will be reflected in the fee to tip or put materials in those sites. It will impact not just private sector but it will impact municipalities.

Most landfills owned by municipalities are upper-tier, regional landfills. They make payments in lieu of taxes that are based on the assessment to a local municipality that the site is located in. That would mean increased transferring of tax dollars within that kind of a structure.

On the private side, our big concern is that we compete with Michigan for landfill disposal. We export 3.5-million tonnes of waste a year—lost resources, lost dollars to Ontario. So if our costs increase significantly, it just opens the door for more material to be sent to Michigan or to New York state, and it's lost from the economy.

**Mr. Victor Fedeli:** Earlier, you spoke of Bill 91. The government has failed to produce any cost estimates for reforming Ontario's waste diversion framework under Bill 91. Have you or your group prepared any cost estimates of your own?

**Mr. Rob Cook:** We've generally relied on third-party reports, and there are lots of reports that talk generally about waste diversion and its contribution to the economy. Quite frankly, we don't see Bill 91 as an increased financial burden on stewards. I know stewards believe that's not true. They've generated some of their own information to try and show that, but the reality is right now we have recycling taking place that they're paying for. We have programs taking place today that they're paying for. Bill 91, I think, represents an opportunity to actually reduce those costs, not necessarily to increase them.

**Mr. Victor Fedeli:** What are the costs that the stewards think this is going to cost?

**Mr. Peter Hargrave:** Sorry, if I could just add to Rob's comments before we move on to the next question.

**Mr. Victor Fedeli:** How much time do we have, Chair?

**The Chair (Mr. Kevin Daniel Flynn):** We've got three or four minutes.

**Mr. Peter Hargrave:** Just really briefly, one of the important things to remember, too, right now, is there's an economic impact right now of the Waste Diversion Act and the way that it's working. It's hurting business. It's hurting consumers right now, because basically it sets up a monopoly form where one organization is dictating

what's happening completely in the marketplace. It's passing on cartel-like fees to consumers, and stewards don't have a choice within that monopoly as to the decisions that that organization is making.

So there's an economic impact associated with what's happening right now that needs to be addressed for the waste management sector. Companies are going under as a result of decisions that one organization is making.

**Mr. Victor Fedeli:** And my question about the stewards.

**Mr. Rob Cook:** I'm sorry, could you ask it again?

**Mr. Victor Fedeli:** The stewards' estimates of Bill 91?

**Mr. Rob Cook:** We've seen some of the steward estimates, and quite frankly, we have produced an analysis of their information which I think has been shared to all the political parties, but their estimate includes things like bringing the industrial-commercial sector into the equation. That's not part of Bill 91. That's a subsequent decision to be made.

There are mathematical errors for sure in how they've calculated the numbers. It's a number, and people can judge in terms of whether they believe it's credible. We, quite frankly, don't believe it is, and we think there's a number of third-party studies from all over the world that would indicate the opposite.

**Mr. Victor Fedeli:** What is the stewards' number?

**Mr. Rob Cook:** Do they which?

**Mr. Victor Fedeli:** What is their number?

**Mr. Rob Cook:** I believe they're estimating \$500 million as an impact.

**Mr. Victor Fedeli:** Thank you, Chair.

**The Chair (Mr. Kevin Daniel Flynn):** Any other questions? Ted, you've got about a minute.

**Mr. Ted Arnott:** Thank you very much, Mr. Chairman. Thank you for your presentation; it was very interesting. During the course of your presentation, you said that we need to bring forward strategies to take advantage of waste diversion as an economic driver; other jurisdictions are doing this better than Ontario; we could be a leader.

Who are the leaders? Which jurisdictions currently are leading the world in this respect and why are they leading it?

**Mr. Rob Cook:** Probably the majority of European countries are; many states in the US, like New York state, with their electronics program. In our view, quite frankly, they've experienced the difficulties that we are currently facing in how to structure a waste diversion framework, the issue of cartels and monopolies and IFOs and centralized planning and how you do this.

In Europe, for example, they have dismantled those, and they have adopted what is really reflected in Bill 91, which is individual producer responsibility. If I produce this, I have to recycle it, and I'm totally free on how I do that. I can do it through a group. I can go myself. I can actually recycle it myself. I have a full range of options. That results in competition and open marketplaces, which generally drive the costs of those stewards lower, that

option. So Europe for sure, and many US states have adopted that individual producer responsibility mantra.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Rob and Peter, for attending.

**Mr. Rob Cook:** Thank you very much.

#### MR. EDWARD BAVINGTON

**The Chair (Mr. Kevin Daniel Flynn):** As Rob and Peter leave, our next delegation is Edward Bavington. Edward, if you'd like to come forward. Make yourself comfortable. Welcome to the committee.

**Mr. Edward Bavington:** Thank you for allowing me to be here.

**The Chair (Mr. Kevin Daniel Flynn):** You have 15 minutes like everybody else. Use that any way you see fit. This time the questioning will go to the NDP if there's any time left.

**Mr. Edward Bavington:** Thank you. I wish to speak to the death of the middle class in Ontario—probably the whole country. I can see no future the way things are evolving.

If I might just comment on one previous speaker, the fellow who was here when I just entered; he spoke of business taxes. Business does not pay taxes. The consumer pays taxes. I'd take any question on that later.

But what I ask here of this session is to give a gift to business—there you are; I'm not against business—but to give a gift to get rid of the “not in my backyard” mentality of some municipalities, like Mississauga, where I lived; it should have been called “not in my backyard.” They invented it, and not this progressive Oakville, by the way.

The situation is such in China and in Florida, if I might refer to two different realms. In China, when they wished to build a subway, they decided yesterday and they begin building it tomorrow. In Florida, if you wish to have a business, the law is such, and I have no reason to believe not in the rest of the states also, that if you can show that your project is going to be beneficial to the economy of Florida or other states—you can expropriate for a Walmart in Florida if it wishes to have one. Not in Mississauga, of course, a Walmart—God. However, in the state of Florida, if it produced jobs, 600, it will be sold, and they can expropriate your house for it—or any section of land. It might be draconian, however, they do have a state now that this year will become more populated than New York all because of this. You can't have business operating and deciding six years down the road. Forget that type of Mississauga.

The gift now, I speak of: In 1954, the federal government requested that banks look after mortgages. “Heaven forbid,” they said. No, they were only in business and commerce. The federal government said, “We'll lend you the money.” Yes, and they started the Central Mortgage and Housing Corp. All the money was borrowed from the feds at 3%, and you had a six-year mortgage. In 1982, you gentlemen and ladies, and in 1992, I believe it was, or 1994, tens of thousands of Ontarians and Canadians

lost their homes because of the increase in mortgages, by the absolute devastation—the gift to the banks of one- and two- and three- and five-year mortgages. In Mississauga Valley Boulevard, whole complexes just walked. The houses had gone down; the mortgages, of course, could not be renewed. They walked. The banks didn't lose a cent; they were all insured.

**1050**

What I ask you people to do, and I know it is not your jurisdiction, is to ask the federal government to bring back the 25- or 30-year fixed mortgages when some young couple buys a house—or old couple—so that they don't lose it. It is ridiculous the way that this is operated. You have a mortgage today of 3%. If it goes up 1%, there's 33% more profit to the bank. The banks will own the world one day. What I am suggesting on that is a counter to the situation so that our economy can grow, because of course when the person buys that house, they know it's going to be paid off in 25 or 30 years. Yes, their salary is going up each year, but then you have disposable income.

By the way, I've taught for 41 years; 31 and a half as a regular teacher, at which time I retired because, as I said to the provincial government's board of education, I could no longer teach Dick and Jane in the interrupted environment that existed. You'll be happy to know, though, that after 41 years of teaching, my salary—pardon me, my pension salary—increased this year a total of 84 cents so that once a month, I have to add 16 cents to buy a McDonald's coffee. For those people who think that teachers get paid too much, I just give that little nothingness.

I think that a business, again—the gentleman was speaking of hydro. The hydro in your bill and mine shows that you're getting that little increase. Your gas bill: It shows you're getting that little increase. When televisions came out in the 1950s, the airwaves were free. A console television was \$485 in 1952-53. Now you're paying, some people, \$1,200 for 100 channels which you can't watch anyway. Your cellphones, your Internet—Rogers will be with the banks and my teachers' pension fund in owning the world one day. This conglomerate that is impacting and owning everything, we all—this young fellow here and this young fellow here—used to watch Hockey Night in Canada on Saturday. Surely, we did, eh? Now, Hockey Night in Canada on Saturday? Sheesh, where are the Toronto maple losers? They're not there. I've called them that for 40 years. Yes, hockey is the curse of the educated class.

But the worst thing in education, let me tell you, was getting rid of trade schools. Do you remember the trade schools, West Park and whatnot? When I sent my special-ed students to West Park, I didn't fear. When I sent them to Humberside secondary school and Western Tech, I did worry about them—they are my kids; everyone I ever taught. Because, you see, at West Park they guaranteed you a job. I have a student of mine that I was proud of; he won the gold hammer at West Park. Today, he's a master carpenter at the airport. Yes—and

they came out with jobs, you see. Oh, but the government got rid of them. Now they're out on the streets, and you're wondering—all you people—what you're going to do about them. I don't know.

Of course, if you ask teachers, they'll tell you. You people in the government, when you brought out that great math book, Mathematics 2000, the worst piece of garbage that was ever exhibited, I went to the office of Mr. McGuinty and spoke to his secretary to show him the folly of it. The only arithmetic book—and I have plenty of them in my library—that doesn't teach you the arithmetic and computation that are necessary to answer a problem, but gives you a problem without that. And you wonder what's wrong with children in schools today. Now, at any rate, I could help you out on that one.

I'm not saying that my political background has been Liberal. I worked for James Trotter. "Trot to the polls with Trotter," he was, as you'll recall. Yes, I worked for Dr. Haidasz. I have Trudeau's first autograph that he ever gave at the convention. I was a loyal, true—blue, I was going to say—red Liberal. Yes, I was. Who would vote for a Conservative, being a Catholic or an immigrant?

**Mr. Victor Fedeli:** I would.

**Mr. Edward Bavington:** Yes, well, we were always brought up that you were the enemy.

*Interjection.*

**Mr. Edward Bavington:** Yes, my mother would roll over in her grave, they were telling me, because I had voted Conservative. Anyway, I thank you very much for your attention.

**The Chair (Mr. Kevin Daniel Flynn):** You've got about three minutes left. I didn't want you to stop if you felt that you were on a roll, but if you—

**Mr. Edward Bavington:** Well, I was on a roll, yes. I'm on a mission. I taught school for 41 years, and every parent had my phone number. Teachers wonder why they have problems in school. I never met a mother in 41 years who didn't want the best for her child. I met one father, perhaps, you see. If you had called them up once a month—you know. Oh, that's too hard to dial. You can just push the button now, you see. You've got the mother on your side.

And this homework bit. You can't give homework? My students had homework every night there was school, except their birthday. Yes, except their birthday. I had the finest—and I have the records for it—attendance of any class in this whole province. You couldn't get rid of the kids at lunchtime. Now—but you didn't have time, as I've told you.

I could not work anymore. I would be dead today if I had continued. Yes, I have a slight heart problem that it gave me, but it can be fixed. It can be fixed.

You can get the interest of the child, only if you gain the respect of the child. At any rate, I could talk for an hour and a half on any subject. I am an educated freak. I was a grade 11 dropout, yes. I have 25 postgraduate courses under my belt. I haven't finished yet, you see.

And I teach my child what my mother taught me: A winner never quits, and a quitter never wins. Thank you, ladies and gentlemen.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you. You've left about a minute for any questions that the NDP may have. Catherine?

**Ms. Catherine Fife:** Thank you very much for your presentation. It's spiced up the morning somewhat. Did you teach drama?

**Mr. Edward Bavington:** Yes, I taught everything. I taught everything, yes, but the interrupted environment, ladies and gentlemen—oh, yes, they have to go out for strings, they have to go out for the horns, they have to go out for drama, they have to go out for music-oral. What is left for math and what is left for language? My students: 90% of them were in a classroom at 8 o'clock in the morning, not 9, and not because I asked them to be but because they wanted to be. Yes. Actually, if I had 50 cents for every hour—some people might say you worked overtime—I could certainly buy a couple of Cadillacs. They also stayed in at lunch if they wished, if it was inclement weather, and performed—

*Interruption.*

**Ms. Catherine Fife:** There's the bell.

1100

**The Chair (Mr. Kevin Daniel Flynn):** Thank you for what you've done for your kids and for our kids, and thanks for coming this morning. We really appreciate it.

**Mr. Edward Bavington:** Thank you very much.

#### OAKVILLE CHAMBER OF COMMERCE

**The Chair (Mr. Kevin Daniel Flynn):** Okay, John. You've got to follow that. Let's see if you can beat that.

**Mr. John Sawyer:** I can say that I am strictly non-partisan, unlike my predecessor.

Good morning and welcome to Oakville. We're thrilled that you're here. I'm John Sawyer. I'm the president of the Oakville Chamber of Commerce. Thank you for the opportunity to participate in this important meeting as the province looks forward to its next budget.

Our chamber represents 1,150 member companies here in Oakville. Collectively, they represent 33,000 employees. Both of our MPPs, Kevin Flynn here in Oakville and Ted Chudleigh in Halton, have worked hard to build a positive working relationship with us, and we think it has been very effective. I'm pleased to have the opportunity to thank them both publicly and in front of their peers.

We understand the challenging fiscal circumstances that the provincial government faces. Reducing Ontario's deficit and finding efficiencies within its existing budget are very important priorities, and they're goals that we strongly support. So in that spirit, I'm going to make some very brief comments. I only want to make three quick points.

I'll start with some things that are going well here in Oakville. We're particularly thrilled with the new hospital that's being built. We recently hosted Minister Matthews at a keynote luncheon event, during which she spoke about the medical, the community and the economic benefits of this wonderful new facility. What she

didn't mention, and what we particularly appreciate, though, is the creative approach to the funding model, with the private sector building, financing and operating the facility. We think we'll need to be looking for that kind of creative and pragmatic approach to issues.

You're going to face countless requests for support as you go through this process. Priorities will need to be set and some difficult decisions will need to be made.

I know that one of the highest priorities in this region is transportation. Daily, our members face challenges in moving goods, services and people into, through and out of Oakville. I am constantly amazed at how many goods and services start their journey literally within just a few minutes of this hotel room and they end up in markets thousands of miles from here, often sent on their way by chamber members in the transportation sector who ship things around the world. I believe the exports out of Halton region total \$5 billion, so it's a significant amount of revenue that we're talking about.

A recent advocacy survey clearly showed that transportation is a top-of-mind issue for our members, and this isn't a surprise when you consider how increased congestion and ongoing population growth make those journeys longer and more arduous. It's very inefficient on many levels, in itself evident. I'm not going to take up your time going through all of the points and the impacts of it. But we support the Big Move project, and that's the first key point I want to make. We need to get traffic and trade moving.

Like our colleagues at the Ontario chamber, we encourage the provincial government to invest in transportation infrastructure in the GTHA by establishing new revenue tools while ensuring that—and it's important that these principles are met—all new revenue tools must be dedicated. The collection of revenue and the distribution of funding must be efficient and transparent. The costs must be distributed and funding allocated fairly, and revenue tools must not impact our economic competitiveness.

It's not lost on me that I've just said you need to balance your budget and, by the way, I want you to spend \$50 billion. So I get that. I get that.

When we were considering our remarks today, we sort of framed them with, "What could the province do that would stimulate the economy and that you wouldn't have to write a big cheque for?"

We have two comments we'd like to make. We think strengthening our ties with our current trade partners while aggressively diversifying our export base around the globe would be the best thing that we could do to stimulate the economy. Cross-border trade with the US is and always will be important for Ontario, but at the same time, emerging economies offer new destinations for Ontario exports and the potential for economic growth.

We therefore ask the provincial and the federal governments to work with business in developing a comprehensive export strategy that will foster stronger ties with the US and leverage the global linkages of Ontario's diverse population to facilitate trade with emerging economies.

In line with that, we strongly support regulatory alignment. When you consider the inefficiencies created by misalignment of regulations between and among governments interprovincially, federally and internationally, there are huge inefficiencies there that we could overcome. As an example, a local Oakville company looking to expand into the US is dealing with at least five levels of government. We have municipal, regional, provincial, federal and, of course, the US government. We're also hearing increasingly about regulatory issues with conservation authorities, which are adding a sixth layer of regulation to our members.

Don't get me wrong: We support smart and efficient regulation to keep markets safe and equitable and to keep Ontarians safe. However, six levels of red tape can choke off job creation. I have a couple of examples literally just around the corner from here. We have a wonderful food store, Whole Foods Market, which you may be familiar with. They have a wonderful line of in-house products and they're at risk of losing those in Canada because of the differing label regulations between where—some of them are produced in the US and here in Canada, and in the size of their operations there's not enough critical mass to justify a second labelling regime. Also, things like the retail holiday sales act, which is a patchwork across the province and creates problems for our members. This level of regulation can be crushing on some of our members, especially the smaller ones.

Greater regulatory alignment across governments will reduce these barriers, increase jobs and wealth creation.

Very quickly: Transportation, we just need to get on with it. We look to support enhanced trade opportunities and work on regulatory alignment. I'll leave it there.

I'm happy to answer any questions you may have. Again, thank you for the opportunity.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, John, for appearing on behalf of your members. We've got about seven minutes. Donna?

**Mrs. Donna H. Cansfield:** Thank you very much for your presentation and also thank you for the fact that you recognize we have a significant debt load and that we need to be able to balance how we strengthen the economy at the same time we ensure that the bank is also strengthened.

This has been an interest of mine for some time, I guess ever since I was in transportation. Every time we talk about transportation, we tend to talk about rail and road and we forget about the H<sub>2</sub>O highway, the shipping. We have a port in Hamilton that easily could take a significant amount of shipping. We forget about air. Of course, Hamilton airport could easily be expanded beyond what it is doing to deal with more in terms of the kinds of export that they could do.

We did a lot of work bringing that portfolio—this isn't a criticism, because it was a decision made. The previous government took those two desks out of transportation because they deemed them to be federal. We put them back in because we knew, when you looked at the whole concept of transportation and sustainability, it had to

include all modes of transportation and how you interconnect those modes was really pretty important.

I'm interested in what you'd have to say about that and how we again—because those are federal jurisdictions as well—how we can work with them.

### 1110

Then the other is the Niagara corridor. At some time somebody somewhere is going to have to deal with that, because you can't ship everything through Windsor and everything to Montreal when you've got an export—just south of you here, not very far away. The QEW is not going to take the traffic. So you have to find another route.

I'd be really interested in how that's progressing, because again, at some time, somebody's going to have to bite that bullet, because you've got too many people just south of you who are an enormous export market for you—and import, by the way—that you're not actually being able to grasp. I'd really like to hear what you have to say.

**Mr. John Sawyer:** Thank you. Those are really good questions. We recognize the need for that integration you spoke of. As a matter of fact, on May 2 we're hosting a symposium with the Professional Engineers of Ontario on that specific subject, so that we can look at how we can integrate those four modes.

We're fortunate; we have an excellent working relationship with Lisa Raitt, who is the transport minister. We met with her in a similar forum just a week ago, to have similar discussions. I think we have to look at all four modes. It's not just road and rail.

From a business perspective too, the focus on transportation has tended to be on people. For the business community, it's just as important that we look at goods and services, which incorporate those other two modes that you refer to.

With regard to the Niagara corridor, I'm embarrassed to say that we have not discussed it. But now that you've brought it up—I'm sorry; we haven't discussed it within our government relations and advocacy committee. But it should be on our agenda, because it will have a great impact on Oakville. I am going to take it back to our advocacy committee and get it on their agenda. We don't have a formal position. I can't imagine we wouldn't support it. But that's John speaking personally. I'm not speaking on behalf of the chamber there.

**Mrs. Donna H. Cansfield:** I just see this as something that, if you wanted to put economic development into that region, you need the corridor.

**Mr. John Sawyer:** Absolutely.

**Mrs. Donna H. Cansfield:** Interestingly enough, if you look at Kitchener-Waterloo and the fact of where their growth is in the southwest area, they need the corridor as well, to be able to move—because they're not going to be able to move everything through Windsor—if they want to grow that whole technology.

**Mr. John Sawyer:** Absolutely.

**Mrs. Donna H. Cansfield:** The other question that I have that would be of interest is the whole issue around

the logistics. I remember speaking with David a while ago. They can't get the drivers anymore for the trucks. It's just simple: They cannot find them. Now they're looking at double trailers—which are, I think, an accident or a collision waiting to happen somewhere in the not-too-distant future—as opposed to putting them on the boats, which actually, I think, could take three or four or five times as many as any fleet of trucks could.

Have you sat down with those folks as well, in the logistics industry?

**Mr. John Sawyer:** Yes. It speaks to the bigger issue of training and skilled trades. Driving a truck isn't what it used to be. It is really a skill that needs to be learned and practised.

One of the challenges, sitting on this side of the table, is that we know we only have a few minutes to bring points forward, so we didn't talk about skills and training, but that's very high on our list. What you speak to falls within that area. The average truck driver is something like 52 years old now and getting close to retirement. As the son of a truck driver—and my brother owns a truck—I'm intimately familiar with that business.

Logistics are critical to this area. We need to get the material moving. The town of Milton has done a fabulous job of making itself a hub for logistics.

One of the things I deal with is the misperception by some politicians that logistics is a big empty warehouse that doesn't provide jobs. In a past life, I ran a distribution centre, and we employed over 200 people. They were really good jobs for those people. So there's an opportunity in logistics.

Sorry; I'm rambling. I hope I've answered your question.

**Mrs. Donna H. Cansfield:** You have, because I think what you're saying to me is that you've looked at how you can—we have a corridor, Quebec to Windsor, that is so congested that we need to move some of that congestion off, because you can't add more. The corridor would work, looking at other transportation, and distribution hubs are absolutely essential in how you move those goods and services.

Of course, the last piece—and I'm sure you've had this discussion as well—is what happens at that border. How do you move it over the border?

**Mr. John Sawyer:** As an organization, we are very, very fortunate. We have an outstanding relationship with the local US consulate. We've hosted the past two US ambassadors and hope soon to host the third ambassador. We've had many private discussions about the thickening of the border.

An initiative that's going on now between the US and our federal government is called Beyond the Border, so that we can actually get border issues resolved before people in trucks get to the border. It's a great initiative, but very complicated.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, John. Thank you very much for coming today.

**Mr. John Sawyer:** My pleasure. Thank you for all you do for us.

**The Chair (Mr. Kevin Daniel Flynn):** Good to see you.

#### PEEL POVERTY ACTION GROUP

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation this morning is Edna Toth from the Peel Poverty Action Group. Edna, if you'd like to come forward, make yourself comfortable.

**Ms. Edna Toth:** Thank you. May I pass this out?

**The Chair (Mr. Kevin Daniel Flynn):** You certainly may. We'll help you pass it out.

Like everybody else, 15 minutes: You use that any way you see fit, and if there's any time at the end—

**Ms. Edna Toth:** Okay. I've timed it. I think I'm down to about six minutes.

**The Chair (Mr. Kevin Daniel Flynn):** Perfect.

**Ms. Edna Toth:** It's not particularly heavy-hitting.

**The Chair (Mr. Kevin Daniel Flynn):** No problem. The questions, this time, will go to the Conservative Party.

It's all yours.

**Ms. Edna Toth:** Thank you. My name is Edna Toth. I'm the chair of Peel Poverty Action Group, an organization in the region of Peel, which is chiefly a lobbying organization, making presentations on poverty issues to all levels of government.

Among the tasks is production of Tough Times. This is a social justice newspaper. It's now in its third year. It's supported chiefly by the labour movement in Peel region and by the advertisers. We are within \$300 an issue of breaking even—Bob, if you happen to hear that. Neither Peel Poverty Action Group nor Tough Times uses public money to stay in business. We are self-supporting; everybody is a volunteer.

Our target audience is people who are homeless, using soup kitchens, food banks, families who are struggling, people who are trying to help them, faith groups, labour unions, politicians, small business, big business, and the public in general. We are distributed in every public building in Peel.

We ask the Ontario government to help cash-poor people in Peel. A good place to start would be the \$100-a-month increase in Ontario Works and ODSP recommended by the Lankin-Sheikh social assistance review. I think you've had that in hand now for a couple of years, and some changes have taken place, but nothing substantial in our view.

Peel needs more affordable housing. Some 12,853 were on the waiting list for subsidized housing in 2011. It's closer to 14,000 today.

Peel region's population is growing by about 30,000 a year, which pushes property prices higher. Not only that, but many cash-poor people rent single rooms in private homes at \$450 a month when their total income may be little more than \$600 a month. You can't live on what's left.

We commend the Liberal government on requiring municipalities to admit secondary units. Mississauga has

already held consultations and passed the necessary bylaws. Brampton is on its way. We expect that more units will come on the market, and we hope, perhaps naively, that any increase in the housing supply will act as a price control.

PPAG has lobbied all municipal councils in Peel to forbid acceptance of election donations from corporations and labour unions. We believe that councillors can play hardball with corporations, which includes developers, when planning permissions are considered, and that municipalities can demand more social housing in new developments. You probably know that the provinces of Manitoba and Quebec and the city of Toronto have made such rules. Would the province of Ontario consider banning such contributions?

We have many homeless people in Peel. There are no statistics. Well, there are some, but they're not very helpful. Some live in the woods; some in cars, in underground parking lots, in empty buildings, and 14,000 people used emergency shelters in 2011 in our area. That number is not falling; we checked yesterday.

**1120**

Our homeless people and others pressed for cash eat in soup kitchens—two open every day in Brampton; no daily soup kitchens in Mississauga. The most recent statistics available show that demand for midday meals at the Knights Table soup kitchen in Brampton has gone up 11% in the last six months.

Health care is at risk among cash-poor people. A huge factor for our members is dental care. The region of Peel helps seniors in need of dental care with money from property taxes, but it can't help all of them or provide all services. Property tax is not the treasure chest that dental care should come from. Please add dental care to OHIP; you would win many votes, I am sure.

Seniors need dental care, but also cash-poor people of all ages. I have been given permission to invite all of you, MPPs and civil servants, to visit Knights Table, which is a soup kitchen in Brampton, and meet the people who live in this affluent and health-conscious country but whose teeth are rotting in their heads. They have no cash, no dental insurance, no dentures, no teeth. According to the experts, they are first in line for heart trouble and infections that will put them in hospital for costly care. We ask that dental care be added to OHIP as a service for all. If money for treatment is provided now, we won't need to extract cash later.

Transit is another issue for us. Peel Poverty Action Group members, many of them looking for work, complain that fares of \$3.35 to \$3.50 for adults are far too high. Mississauga and Brampton transit systems are not integrated, and Caledon has no public transit at all. Many politicians and civil servants are engaged in trying to improve the travel experience. I don't think any of them ride the bus. In the Peel Poverty Action Group's opinion, we must be prepared to underwrite the costs of transportation in new developments so that families can survive without a car. That means buses must go where people want to go and service must be frequent, even in non-rush hours.

We have limited our presentation to these few items: housing, health care and transit. Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Edna. You've left eight minutes, actually, for questions, going to the Conservative Party. Ted.

**Mr. Ted Arnott:** Ms. Toth, thank you very much for your presentation. I think it's very important information that the committee needs to consider as we continue our deliberations leading up to the budget for 2014-15, the upcoming provincial budget in the province of Ontario. Obviously, your passion and your advocacy are clear to everyone who is here today, and we appreciate it.

Before Christmas, I had the opportunity to visit the Ste. Louise Outreach Centre of Peel in Brampton, which is a food bank as well as an organization that exists to provide a number of services to low-income people. You must be familiar with it.

**Ms. Edna Toth:** I do know it.

**Mr. Ted Arnott:** Could you inform the rest of the committee about the work that they do?

**Ms. Edna Toth:** Ste. Louise, I understand, is a food bank and also provides clothing and a number of services for people who are hard pressed for cash. Being hard pressed, as you know, in Brampton—if you're using a food bank, you haven't got a lot of income.

**Mr. Ted Arnott:** The government has raised expectations with respect to their anti-poverty strategy that they enunciated earlier, I think in their first mandate. If you were to give a grade to the government for the success of its anti-poverty strategy, what grade would you give it and could you explain your reasons for giving that grade?

**Ms. Edna Toth:** Well, I would not grade any government on what they're doing because we will still have to work with them, no matter what.

**Mr. Victor Fedeli:** I think that's a pretty good answer.

**Mr. Michael Prue:** That's a good answer. What she's saying is it's an F.

**Mr. Victor Fedeli:** Exactly. That's the answer I heard.

**Ms. Edna Toth:** So the Liberal government has done a number of good things, and I did mention—or did I mention?—the matter of requiring municipalities to permit secondary units. That was a good move, but it's really cash in the pocket that is necessary, and we see that as necessary for small business. Money in the pockets of cash-poor people is going to be spent right there in the municipalities. It goes back very quickly, in the form of taxes, to the government, so they can put it out again.

**Mr. Ted Arnott:** Without adequate, decent, affordable housing, low-income people have a very difficult time having an opportunity to escape poverty. Could you again explain a bit more about the housing needs in Peel region that you see, and what response you would expect from the provincial government as well as the local government?

**Ms. Edna Toth:** Okay. Mental health is a very serious matter, and your mental health is not improved if you

haven't got a place to stay. I would think that if we can provide more shelters—and there are empty buildings around which are not being used and could be used for housing people. That is the most serious part.

It's also involved with drugs, because people who have no place to stay, no place to live, spend their entire day wondering where they will be an hour from now, where they're going to eat, where they're going to sleep and will they be able to sleep. As it's been explained to me by people who use it, one smokes marijuana because it softens the blow. You don't have to think, then, about what's going to happen an hour from now. It kills off that thought process, and you just exist. I think if we want to attack the drug problem, then that is one of the things that has to go. We do have to have housing that people can afford, and we do have to have, at this point, more shelters.

I have the advantage of great age, having survived the Second World War in Britain. There, there were workhouses, which you can now see on Downton Abbey, where people lived because they had nowhere else to go. Then along came the war, and believe it or not, the workhouses were empty because a whole bunch of people were called up. Everybody's house was looked at—how many people could you accommodate in this house—because evacuees were going to be coming from London. There was no longer anybody in the workhouse. It's stupid, but that is what happened.

**Mr. Ted Arnott:** Thank you very much.

**The Chair (Mr. Kevin Daniel Flynn):** Very good. Thank you very much for coming, Edna. We appreciate it.

**Ms. Edna Toth:** Thank you.

#### CAMPAIGN FOR ADEQUATE WELFARE AND DISABILITY BENEFITS

**The Chair (Mr. Kevin Daniel Flynn):** Elizabeth McGuire, Campaign for Adequate Welfare and Disability Benefits: Come on forward, Elizabeth. Make yourself comfortable.

**Ms. Elizabeth McGuire:** I'd need a cup of tea to do that.

**The Chair (Mr. Kevin Daniel Flynn):** A cup of tea and some slippers?

**Ms. Elizabeth McGuire:** I brought an updated version of that hastily written submission.

**The Chair (Mr. Kevin Daniel Flynn):** Okay. Well, perhaps you can give that to Katch.

**Ms. Elizabeth McGuire:** Nice to meet you. We talked. Thank you.

**Mr. Bob Delaney:** If you tell us how you like your tea, we'll arrange that.

**Ms. Elizabeth McGuire:** Really? Could I have a pot? And I would need a pitcher of milk, and a warmed mug, if you wouldn't mind.

**Mr. Bob Delaney:** Any sugar?

**Ms. Elizabeth McGuire:** No, thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Get to that, Bob, will you?

**Mr. Bob Delaney:** I'll take care of that.

**The Chair (Mr. Kevin Daniel Flynn):** There you go. Okay, you've got 15 minutes, like everybody else. Use that any way you see fit. At the end, if there's any time for questions, it will come from the NDP. It's all yours.

**Ms. Elizabeth McGuire:** My name is Elizabeth McGuire, and I am the chairperson of the Campaign for Adequate Welfare and Disability Benefits.

I just want to open my remarks by telling you what it is to be a member on our committee. You're poor. You don't cook at home. You go to Out of the Cold for supper. You go to Wesley for lunch. If you get up early enough, you go to Wesley for breakfast. If it's cold and windy, well, tough. You've got to get out there to get your breakfast, if you want to go out looking for a job, because you need the calories, because you need to burn energy. Every member is still looking for work, although it may not be an option for some of them. But we share stories and share information, and that is the only way we find out about clothing giveaways or toiletry giveaways or coupons for suppers, things like that. As a group of 30 people, we stick together and share the information, and we're all suffering as a group.

1130

That's the campaign. We do partake in activities and try to come up with novel ideas for explaining how we're suffering and we can't go on like this. Of course, attending this standing committee was one of the things that we can do.

Thank you very much for the opportunity—oh, aren't you wonderful? Are you married?

**Mr. Bob Delaney:** My other half thinks so.

**The Chair (Mr. Kevin Daniel Flynn):** Cookies are extra.

**Ms. Elizabeth McGuire:** Oh, that's so nice. Thank you.

**Ms. Catherine Fife:** I've never seen that before.

**Interjection:** It's a first.

**Ms. Elizabeth McGuire:** I think so too.

**The Chair (Mr. Kevin Daniel Flynn):** All you have to do is ask.

**Ms. Elizabeth McGuire:** Oh. Could I have a million dollars?

**The Chair (Mr. Kevin Daniel Flynn):** Nice try.

**Interjection:** Maybe ask the feds for that.

**The Chair (Mr. Kevin Daniel Flynn):** Yes, that's federal, I think.

**Ms. Elizabeth McGuire:** Anyway, I'm here representing not just members of the campaign but all of those who live on the lowest rung of the economic ladder. I'll be bringing to you three issues which we think are important, critical and an opportunity to effect change.

The first thing we need is seismic change. There is no denying that the world is changing. The economies are changing. We don't have full-time jobs. We don't have job security. This is happening all over the world. The economy that had served us well for the last 50 or 60

years is crumbling, and we can't depend on those full-time jobs and their good wages anymore, because the world is now full of part-time jobs and precarious employment.

The people of Ontario can't survive on sole incomes from these part-time jobs and precarious employment. We all know that they can't. I don't have to itemize the reasons for you why they're not.

Everyone globally is recognizing now that the former model of capitalism is no longer working. Every country in the world, except for a few exceptions, has looked at the option of basic income, and it's really the only way we can guide ourselves through the economy in the future, at least for the next 50 or 60 years. I'm sure I don't have to tell you what basic income is. I'm sure we've all read information, books and reports. Certainly Hugh Segal is an advocate of basic income.

How would you finance this? I have two recommendations on how you can impact MCSS and free up millions of dollars. My first recommendation—there are three, and the first is that the government of Ontario look to moving to a GAI with a federal partner within five years. I know that the federal-partner part is not a possibility right now, but we could begin provincially.

I think that it would take at least five years, perhaps less, because we have practice in bringing in guaranteed income with seniors and a few other groups, so it's not like we're reinventing the wheel. By the time we implemented it we would probably be on par with other governments in the world that are moving to that now. The European Union is currently considering whether to consider a basic income.

The second issue that I want to bring to you—is this a very critical issue: We have to change the delivery model of social services. Currently it's structured under a surveillance-and-punishment model. It's very expensive to administer. It's paper-intensive. It drives a nail into the heart of every recipient.

Changing this model to something like the CRA would free up millions of dollars, because that surveil-and-punish model is paper-intensive. For example, in Hamilton, 3,000 suspension letters go out every month—or 3,000 nails, as I like to call it. That's a lot of paper—envelopes, stamps, administration time—and it's because it's based on the model that everyone is guilty.

The CRA is based on a model that 3% of people will cheat on their income tax, and it's staffed like that. MCSS assumes that everyone is guilty, and it's staffed like that. If you change the model, you'd free up all kinds of money—streamline the system.

The growth of mental health that the Peel lady spoke about, we see it every day. People who lose their job hang on for as long as they can. After two suspension letters, you're talking mental health issues. Everyone on the campaign has a mental health problem, and it's directly attributable to the kind of delivery model that we use for social services. I mean, 3,000 suspension letters in Hamilton; how many are going out province-wide? That's a lot of money, a lot of paper, a lot of stamps, a lot of administration, and it's really not necessary.

These suspension letters also support the two industries or two processes for the poor. One is the Social Benefits Tribunal and one is the landlord-tenant court. Both of these are corrupt. I really thought about using that word and yes, I think it qualifies. This is just a waste of money. It's traumatizing the poor, contributing to mental health problems and only perpetuating the problem as it is now.

The third thing is the \$100 increase. I know it was your intention to stagger the \$100, but I would remind you that everyone, including the social assistance review commission, said "an immediate \$100." The reason they said "immediate" was because we're in crises. That was supposed to address the crises. The second \$100 could be staggered.

That pretty much concludes my report. I wanted to thank you for the opportunity to speak to you.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Elizabeth, for your presentation. You've left about five minutes for questions; that goes to either Catherine or Michael.

**Mr. Michael Prue:** I have a couple of questions, if I might. You made the statement—and I think I understand why, but I want it to be clear for the record—that Ontario adopt an income security as a GAI while seeking a federal partner, and you said you don't think that's possible at this time. Is it because of the nature of the present federal government or is it—

**Ms. Elizabeth McGuire:** Directly.

**Mr. Michael Prue:** That's what it is.

**Ms. Elizabeth McGuire:** Yes. We need a new federal government before—we could start now, but we'd need a different partner.

**Mr. Michael Prue:** Is it just who the leader is? Because one of the key proponents of a guaranteed annual income was Senator Segal, and other Conservatives in the Senate, I guess, more than in the House, are on board with this. Is it because this government in Ottawa is singularly dismissive of the poor? I'm trying to get why you think it's not even possible to ask them.

**Ms. Elizabeth McGuire:** We live next door to Tim Hudak—

**Mr. Michael Prue:** Okay.

**Ms. Elizabeth McGuire:** —and I think our current Prime Minister is not representative of the Canada that I was born into. I know we all grow and change and learn and that, but still I don't see our leader as representative of the provinces.

**Mr. Michael Prue:** Okay. The second thing you talked about was the surveil-and-punish model. You would recommend that we do away in totality or just in part with the landlord-tenant court and the Social Benefits Tribunal? Do you not see any purpose for them at all? Or do you see that government should use them only sparingly?

**Ms. Elizabeth McGuire:** Well, the landlord-tenant court is—it's fair market rents and people with jobs, presumably, who can use the landlord-tenant court when they have disputes with a landlord. Certainly, when I was

employed, I had a dispute with my landlord and I used the landlord-tenant court. When I was on assistance and used the landlord-tenant court, it was stacked against me. The landlord always wins.

1140

So to answer your question, am I recommending you just do away with surveillance and punishment and have no recourse to catch people, I would suggest you use the CRA model with a built-in appeals process. CRA right now doesn't have an appeals process once you're charged.

**Mr. Michael Prue:** Okay. You think that that would save money? You're nodding your head. You have to say something because otherwise it's not recorded.

**Ms. Elizabeth McGuire:** Yes. Sorry. Yes, absolutely. I could see by doing it better, smarter, leaner and nicer we could save millions.

**Mr. Michael Prue:** All right. And then that money could, in turn, be put back—

**Ms. Elizabeth McGuire:** Contributed to the basic income. Also, of course, having the lowest business tax rate hasn't brought in the business we thought it would. So why don't we put it up one more per cent?

**Mr. Michael Prue:** Okay. Finally, you talked about the \$100 immediate increase, as has been recommended by Frances Lankin and Munir Sheikh. The government is presently in an \$11-billion hole. Where would you propose that the money come to pay this additional money? I want to you to be inventive here. Do you think you should tax people more? Do you think there are other government programs that could be cut and the money transferred here? Where do you see that \$100 coming from?

**Ms. Elizabeth McGuire:** I have a 20-minute rant I can give you on the corruption in the government and certainly, when I was compelled to declare bankruptcy, my trustee exposed me to what else is going on. These people who were employed for 20, 30 years lose their jobs. They're eligible for EI. The EI is held up and held up and held up until they're compelled to go and apply for OW. As soon as the OW cheque comes in, they're charged with an overpayment for the amount of the EI, not for the amount of the benefit. All of those people are now compelled to declare bankruptcy.

**The Chair (Mr. Kevin Daniel Flynn):** You've got about 25 seconds.

**Ms. Catherine Fife:** Okay, good. It's just a quick statement. Elizabeth, I think that you've raised some excellent points, especially around the precarious employment piece. There has to be a more efficient, fairer way to not re-victimize people who do live in poverty. That's been consistent with a number of other delegations. I just wanted to thank you for coming today.

**Ms. Elizabeth McGuire:** Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Elizabeth. Thank you very much for your time and your presentation.

**Ms. Elizabeth McGuire:** Thank you. Can I take my tea with me?

**The Chair (Mr. Kevin Daniel Flynn):** We do take-out.

#### HALTON POVERTY ROUNDTABLE

**The Chair (Mr. Kevin Daniel Flynn):** Our final delegation before lunch is the Halton Poverty Round-table. June, Leena and Colleen, if you'd like to come forward.

**Ms. Leena Sharma:** I'll be speaking for the group.

**The Chair (Mr. Kevin Daniel Flynn):** Make yourselves comfortable. Like everybody else, you have 15 minutes. Leave some time maybe at the end for questions. Questions this time will come from the Liberal Party. Because there are three of you, what would be good is that each time you spoke if you would introduce yourselves so that people from Hansard know who is speaking.

**Ms. Leena Sharma:** Okay, great.

**The Chair (Mr. Kevin Daniel Flynn):** The floor is all yours.

**Ms. Leena Sharma:** Good morning, and thank you for the opportunity to speak before the standing committee today. My name is Leena Sharma and I'm with the Halton Poverty Roundtable.

The Roundtable is a multi-sector collaborative composed of 25 members representing business, government, community organizations, faith groups, labour, as well as people with the lived experience of poverty.

We work together to reduce poverty in Halton and work towards a greater shared prosperity. We accept that it is no one sector's responsibility to reduce poverty, rather the work of all citizens in a community. We recognize that working collectively to address some of the systemic causes of poverty will yield a greater long-term impact.

As a community-builder, the Roundtable continues to focus its efforts to convene, engage, educate and act as a catalyst for systemic change and social inclusion in three overarching areas: healthy families, with priority consideration to food, recreation, education and transit; housing, with priority focused on affordability and accessibility; and income security, with priority given to long-term stability through liveable incomes, training and education, and opportunities for engagement by overcoming barriers such as discrimination and lack of access to child care and disability services.

We are here today to ask the government to continue to prioritize poverty reduction, regardless of the current financial pressures. Despite some of the advancements made over the last year, we know that one in 10 adults and one in seven children in Ontario continue to live in poverty. Marginalized groups experience even higher rates of poverty, with one in three racialized children living in poverty.

The moral argument for reducing poverty is apparent. In a community as affluent as Halton, in a province as resource-rich as Ontario and in a country as wealthy as Canada, it is unjust and unconscionable for any of our

fellow citizens to be living in poverty. We have the resources to address poverty. We have a great deal of knowledge and experience, good public policy models and a concerned population.

At a recent Halton event, Senator Hugh Segal pointed out two Canadian examples of policy initiatives undertaken in the 1970s that served to lift people out of poverty. First was a guaranteed annual income experiment known as "Mincome" in Manitoba, and second was the guaranteed income supplement for seniors that was introduced at the same time. Senator Segal challenged us with the question, "If we can do this for seniors, why can't we do this for people within the working age group who are living below the poverty line?"

Not addressing poverty head-on is costly. Let's consider some health care costs. A 2010 study by McMaster University found a 21-year difference in life expectancy between the poorest neighbourhood and the wealthiest neighbourhood in Hamilton. Living in the lowest quintile of income earners means that these citizens access the health care system 50% more. This is as a result of higher stress, poor nutrition, substandard housing and an unstable social environment.

An estimate from the Ontario Association of Food Banks' The Cost of Poverty report estimates that poverty costs Canada's health care system \$7.6 billion per year. And there are child poverty costs. Twenty per cent of the children living in poverty today will live in poverty as adults. With skills training and higher education, the income gain for Ontario is estimated at \$3.2 billion per year. The total economic cost of child poverty in Ontario is \$4.6 billion to \$5.9 billion annually.

Perhaps the most crippling is productivity costs. A recent article in the Globe and Mail reported research that found that poverty is like a tax on the brain. It imposes a measurable burden on the mental capacity of those who must struggle with the stress that poverty causes day after day. And it goes further to state that "It's not handling problems" that slows down the mental performance of the poor, but it's "the lingering preoccupation on the mind" that comes with living on the economic edge. This implies that poverty affects productivity and limits an individual's ability to make a contribution to their community.

We propose the following recommendations: first, an immediate \$100-a-month increase for single adults on Ontario Works and ODSP, the Ontario Disability Support Program, echoing the comments of some of our colleagues made earlier today. This recommendation speaks to providing greater food security for those living on social assistance. This again echoes the findings in the Larkin and Sheikh Brighter Prospects: Transforming Social Assistance in Ontario report.

The principle behind this recommendation is adequacy, so that one can obtain nutritious food, secure housing and other basic necessities no matter what region of the province you live in. Food security is defined as a situation where all community residents obtain a safe, culturally acceptable, nutritious diet through a sustainable

food system that maximizes community self-reliance and social justice.

Poverty is a key social determinant of health and is linked to food insecurity, reduced diet quality and increased risk of developing chronic disease.

The results of the local Halton Nutritious Food Basket for 2013 demonstrate that the cost of a nutritious diet is rising. It is becoming increasingly difficult for many low-income households to afford nutritious food.

The second recommendation we make is that we ask Ontario to negotiate with the federal government to commit to a housing framework for Canada that includes adequate, stable, long-term federal funding and encourages its housing partners and stakeholders, including municipal governments, to work with the federal government to secure this commitment. This reflects recommendation 19-14 in the Drummond report.

Housing does not just reflect inequality; it magnifies it. Housing is far and away the largest expense of moderate- and low-income households. Because housing takes such a large share of income, inequality in disposable income is greater after housing costs. Housing that is not affordable has a fundamental impact on quality of life, leaving low-income households without enough money to meet their other basic needs, including food, health costs, clothing and transportation.

#### 1150

Although social and affordable housing is provided by our municipalities, the province is responsible for setting rules and standards, flowing federal dollars to municipalities and directly funding various housing and related support programs. Much of Ontario's social housing was constructed over 30 years ago, and they need to invest in repair and rehabilitation. At the same time, Ontario's population continues to grow and age, which will require specialized affordable housing.

The three-year bilateral agreement that was signed with the federal government for investment in affordable housing was signed in 2011. As we know, this agreement provides \$480.6 million, cost-shared 50-50 between the federal and provincial governments, to fund the creation or repair of about 6,000 affordable housing units. There is currently no federal funding commitment beyond the end of this current agreement, which ends this year. The absence of an agreement with the federal government for affordable housing would impact both capital programs as well as operating programs.

We see housing as a key lever for action that the government can work with to improve the lives of those living in poverty.

Our final recommendation is to immediately raise the minimum wage to \$14 and to work to index the minimum wage to the cost of living so that no Ontarian who is working full-time and full-year is forced to live in poverty. The work of the recently convened Living Wage Halton group is grounded in the core belief that it is unacceptable that people engaging in full-time and full-year work are unable to lift themselves out of poverty. The current minimum wage rate, which has been frozen

at this level for over three years, still amounts to a poverty wage for many Ontario families. While we are advocating for a living wage in Halton of \$17.05, which is calculated for a family of four with two parents working, we see our work as complementary to the work of the Raise the Minimum Wage campaign, which is calling for the Ontario government to raise the minimum wage to \$14 an hour, which would effectively bring the roughly 25% of Canadians living below the low-income measure to 10% above it.

Trail-blazing companies like Lee Valley and Costco, which are paying a living wage, highlight benefits such as greater employee retention, greater employee engagement, and higher productivity.

In a recent Environics poll, Canadians were asked what they think of the idea of providing everyone with a guaranteed annual income. Forty-six per cent of respondents either strongly or somewhat strongly supported the idea, suggesting we have the “potential foundation for building public support for [guaranteed income], especially if it was accompanied by the elimination of other programs.” So we know that there is public will to support greater government action in this area.

In closing, if our goal is to allow people living in poverty to survive, barely, then maybe we have reached that goal. If we want to end poverty and eliminate the costly repercussions, we need to try something else. We ask the provincial government to act decisively to ensure that our social assistance program, our housing program and our wage structure make access to a healthy quality of life a reality for all Ontarians.

We know from a growing body of international literature that societies which tolerate high levels of income inequality suffer higher levels of stress, greater levels of crime, worse health outcomes and diminished trust, both in each other and in their democratic institutions. So the question is not, “Should we act now to reduce income inequality?” but simply a question of how quickly we can act. Our recommendations represent a few ways that the Ontario provincial government can act now to stem the tide of growing income inequality.

Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you. You've left about four minutes.

Steve or Donna.

**Mrs. Donna H. Cansfield:** Thank you very much for your presentation. I didn't get a chance to read everything, and I look forward to finishing it.

I'd like to discuss a couple of things with you. One of the biggest challenges is really getting a handle on poverty statistics. We've heard from a variety of folks. The similarities for the recommendations are there, but the dissimilarities are in the statistics themselves. It's interesting that you quoted Hamilton in the Halton region—I understand why, because you presume that's to be a transferable discussion; fair enough.

My question is around the immigrant population. I always believe the best way out of poverty is a job. Most people want to work, where possible. I accept and

recognize that sometimes that's not possible, but most people—people with disabilities—want to work where possible. How do you increase employment opportunities? When I look at these statistics, I know that—I don't mean to imply profiling or whatever, it's just that how many of those statistics are our new immigrants that are not able to get jobs in their chosen professions because of issues around accreditation, issues around the famous “I don't have Canadian experience”? It's almost like we need two sets of statistics because sometimes they have different approaches. If you've got a really good, solid statistic around the inability to access meaningful employment in the chosen profession, which limits their ability to get that Canadian experience, that changes your statistic. Have you done any work on that at all?

**Ms. Colleen Sym:** It's Colleen Sym from Halton Community Legal Services. I represent the legal clinic on the Roundtable.

One of the initiatives that is going on in Halton, that Halton region is involved with—and the Halton Multi-cultural Council—is to explore the issues around the supports that newcomers need to establish themselves in the Halton community. I'm not totally familiar with the work that is ongoing, other than to say it is ongoing and in development.

Quite frequently, what we do find in examining statistics is when data has been aggregated and the ability to disaggregate it—so data collection does become an issue. Joey Edwardh would have been the expert to have asked more specifically those types of questions this morning, but it is an ongoing issue as we attempt to drill down into how to identify the specific needs of the individuals who are experiencing poverty because, as Elizabeth has—every person's story is different. There are going to be similarities and themes that can underpin public policy, but to be able to target the specific needs of specific individuals, to know the steps that are going to help them specifically, is probably a better investment of the resources that currently go into the surveillance and punishment model of social assistance.

**Mrs. Donna H. Cansfield:** But the idea of being able to disaggregate, if that's a term, those statistics would enable us to actually identify the different sets of challenges and thereby put in different sets of policies. I guess I would encourage that, if that's possible, to come up with some of those discussions. Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you all for appearing today. It was appreciated.

The committee is recessed until 1 o'clock.

*The committee recessed from 1158 to 1302.*

#### ONTARIO TRIAL LAWYERS ASSOCIATION

**The Chair (Mr. Kevin Daniel Flynn):** Let's call back to order again. Our first delegation of the afternoon is the Ontario Trial Lawyers Association. Welcome.

**Mr. Steve Rastin:** Thank you.

**Mr. John Karapita:** Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** You have 15 minutes. You use that any way you see fit. If you want to

leave a little bit of time at the end for questions, that would be great. The questions this time around will come from the Conservative Party. The floor is yours.

**Mr. Steve Rastin:** Thank you. Our intention is hopefully to only speak for five minutes or so and have a conversation. We're hoping that might be more beneficial. My name is Steve Rastin. I'm the president-elect of the Ontario Trial Lawyers Association. The gentleman to my left is John Karapita. He's our director of public affairs.

We would like to say that we're thankful to have the opportunity to speak to this body and make submissions. We're going to focus our submissions on the area of financial services, generally and specifically with respect to what we think is the hot-button issue of automobile insurance in Ontario.

Just by way of some background, the Ontario Trial Lawyers Association was formed in 1991. We're an organization of lawyers and law clerks that represent exclusively injured individuals in the province of Ontario. We represent individuals that have suffered injuries and losses as a result of wrongdoings by others. Our mandate is to represent those individuals in the system.

We want to point out that we have submitted a paper to you. I'm not going to waste your time by reading the paper, but I would ask that the members here take a look at that paper. Our submissions today are going to focus on three key areas. One, there was a discussion in the last budget about implementing a process about transparency and accountability with respect to auto insurance, and we'd like to talk about the desirability of moving forward that initiative.

The second issue is to emphasize to this group that further reductions in auto insurance, which is something that's being discussed, are really not necessary if we did move forward with that transparency initiative, which is something that we think we need to do so that we're all playing from the same page. We would see that those further reductions are not necessary. Further, we want to emphasize the fact—this group may or may not be aware of it—that there was a round of sweeping changes made in 2010 to auto insurance. One of the things that we think is important for this group to realize is that, for the most part, most victims of car accidents in Ontario are really getting very little, if any, benefit already for the premiums that they're paying.

With respect to the transparency initiative, we want to point out that the government announced as early as last year in the budget that there would be a transforming of the auto insurance dispute resolution system. There would be licensing of health care clinics, and there would be an introduction of a transparency and accountability mechanism in the form of an annual report by experts that are going to look at the impact of auto insurance reforms that have been introduced to date, both with respect to cost and premiums.

We would like to submit to this group that that announcement and initiative is an excellent idea. One of the primary problems that we have today is that we have

radically different submissions and viewpoints as to where the system stands. The reality is—and there have been submissions on this. As late as September 2013, there was a submission made by an economist by the name of Bill Andrus. He's a former insurance industry insider and businessman. He pointed out a fact that we're facing now. There is massive dispute about how profitable the auto insurance industry is now. The reality is, if there's an objective review of the numbers, that should not be possible. Math is math.

As he pointed out, "A problem arises when data becomes"—the data itself—"the subject of debate and conjecture ... everybody is entitled to their own opinion" but "they're not entitled to their own facts. Data in the insurance industry is no different: There's only one set of numbers, and they must be reported accurately and free of interference from any stakeholder or group."

The Ontario Trial Lawyers Association supports the idea that the Ontario insurance industry needs to be healthy and profitable. At the same time, we want to point out to this group that auto insurance is a mandatory product. You have to buy auto insurance. People are spending more and more money to buy auto insurance. What they're getting is less and less in response for that insurance.

Changes were introduced in 2010 to our auto insurance system. The reality is this, and most people may or may not realize this: For approximately 80% of people today—for approximately 80% of people—they're being placed in the minor injury guideline, and they're getting \$3,500 worth of medical coverage. We have reached a point where people are paying more and they're getting less. We would submit that there are all kinds of data out there already. There's HCAI, OSFI and a number of different sources out there. If we take the time to put together and really look at the issue, we can have a conversation about what is a fair and reasonable auto insurance system.

We need this independent annual report, because there are a number of changes coming forward to the system. There's going to be a three-year review. There's a DRS review going on right now. There's a number of process reviews going on right now. Before we make further changes to the auto system, we need to look at the impact of the changes that are already there, and we need to determine a way of going forward that's fair to both the auto industry and to Ontarians in the province that have been injured. What we need in the coming months is to have that process go forward in a way that we can look at.

I've got further submissions in the paper, and I thank Mr. Karapita for those, but what I'd like to do is open it up to questions in the seven or eight minutes that are remaining so that we might have a conversation.

**The Chair (Mr. Kevin Daniel Flynn):** Perfect. Thank you very much. You've got about eight minutes remaining.

It'll be the Conservatives. Vic?

**Mr. Victor Fedeli:** Thank you very much. Thank you, Steve, for the presentation, and John, for being here. So

you understand the format, the only questions you're going to get come from Ted and myself. That's the way we rotate. We won't be able to have more of a fulsome discussion, sort of an all-party discussion, to get into the meat of these things. You're limited to us.

At the beginning you mentioned there were three areas, and transparency and accountability was the first. I wrote down "the reduction not necessary" as the second, and I'd like you to maybe define that as a heading, if you don't mind, and then the third I couldn't articulate.

**Mr. Steve Rastin:** The third is the fact that we're already in a system, after the changes, where accident victims in Ontario are getting so little. We need to have a meaningful analysis of what bang for the buck the citizens are getting for having to buy this mandatory product.

1310

The third point is that victims of accidents are already getting too little in this province. The point to look at in terms of further reductions not being necessary—there has been no meaningful, outside, independent analysis of these problems, of the profitability issue. There were these massive changes made in 2010, and an independent review of those September 2010 changes hasn't started.

One thing that we can say for sure, because the data is coming out, is that there are two sides of a case. There's the tort side—the "I hit him and you sue me" side—and the accident benefits side. The claims paid out per accident benefits claim in the province of Ontario are plummeting. All the government data shows that these numbers are dropping from tens of thousands of dollars to mere thousands of dollars.

Before we look at further changes, because the IBC and other people would say to you that we need to reduce the benefits people are receiving to get to that 15% rate reduction—our only point is that if you look at the number and look at the changes that are already made, because we had the most sweeping changes in September 2010 that I can recall in my 20 years of practice—before we look at whether we need to further reduce numbers to get there, we need that independent review process, because it's our position that those further changes are not necessary.

If we have somebody that's independent, if we have an annual review, if we have somebody who looks at the impact, we're going to find out that premiums are up in spite of the 15% comment and that profits are down. What we're afraid of, and what the issue is—well, look at it.

For instance, on December 17, the government announced some sweeping changes to the auto insurance system by way of regulatory change to attendant care benefits. This is the kind of thing that concerns us, because there was a regulation published on December 17 saying that the way that attendant care benefits are paid out is going to change in the province. There was no consultation, there was no discussion, there was no debate and there was no financial analysis of this.

You know what it's going to do? It's going to take hundreds of thousands of dollars away from the most

seriously injured people. Those costs, in our submission, are going to fall back on the government, and that's the kind of process that we need an independent review on, so that we can take a look at it.

**The Chair (Mr. Kevin Daniel Flynn):** Go ahead, Ted.

**Mr. Ted Arnott:** Thank you very much, Mr. Chair. Thank you for your presentation. It's been very interesting.

You mentioned the transparency and accountability mechanism in the form of an independent annual report by outside experts on the impact of auto insurance reforms introduced to date on both costs and premiums. You've suggested that that's a good idea, and I agree with you. I think it is a good idea, and it's high time that this was done. I'm surprised that nobody else has done it to this point.

And yet, as you point out, almost a year has passed. We're talking about the next provincial budget now during the course of these hearings, and, really, they haven't made significant progress. Why do you suppose it's taken the government so long to get going on this? Does it have something to do with the commitment that was made to reduce premiums by 15%?

**Mr. Steve Rastin:** I don't know. I know that it was in the budget last year, and we strongly support it. I guess that what our concern is going forward is this: We're doing something called a DRS review right now—and I think that members at this table are involved in that—which is a process of dispute resolution. We're doing a bodily-injury claims review right now. We're doing a three-year insurance review right now. We're making all these changes to the system.

What I'm going to say about auto insurance is this: In the 20 years that I've been practising—auto insurance is like pop and chips. Twenty years ago, you used to buy a two-four of pop for \$6, and you used to buy a big bag of chips for \$2. Today, you go in and you still buy pop for \$6, but you get six. You buy a bag of chips, and instead of this bag of chips you get this bag of chips.

This is what happened for most people. There are about 500 people who are really badly injured who get a lot of coverage, but for the other 50,000 people who are injured, they're getting that little bag of chips today, but they're paying the same amount for it, and that's the only reason.

This is why we think it's crucial—I don't know why it didn't happen before, but it's why it's crucial that we have raw numbers—hard, independent numbers—to look at the changes, because we force citizens to buy this coverage, and they're not getting very much for it today.

**Mr. Ted Arnott:** And many of them are not aware that they're not getting very much for it.

**Mr. Steve Rastin:** Most people are shocked. If you're in an accident, you don't get the first \$30,000 of your damages. Most people don't know that. And worse, if I tell a jury about that in a trial, the judge will throw me in jail. I'm not allowed to tell a jury that people don't get all of the first \$30,000 of their damages. People don't get all of

their economic loss; they get 80% of their net economic loss. They get covered for part of their medical treatment. They don't get covered for the first 50 kilometres driving to medical treatment. They don't get covered for their cab fare.

There are 100 things that people aren't being completely covered for, and people don't know. People think, "If I pay \$150 or \$200 a month for auto insurance, I'm covered." Then people get in an accident and they lose their house. That's the situation that we're facing today, because most people think, "For what I'm paying, I'm covered." We've reached the point where you might be better to buy something else other than accident benefits auto insurance if you had a choice. But we don't because it's a mandatory product.

**Mr. Ted Arnott:** For everyone who drives. Thank you very much.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Ted; thank you, Vic—and John and Steve, for coming today.

**Mr. Steve Rastin:** Thank you for your time. We appreciate it.

#### ACROBAT RESULTS MARKETING LTD.

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation is from Acrobat Results Marketing. If you'd like to come forward, Tim.

**The Acting Chair (Mr. Bob Delaney):** Welcome. Make yourself comfortable.

**Mr. Tim Sinke:** I looked up and the Chair changed.

**The Acting Chair (Mr. Bob Delaney):** It often happens for reasons of pure biology.

If you've been around for any length of time, you'll know that you have 15 minutes to make your presentation. If you finish in less than 15 minutes, the questions will be asked, in this case, by Mr. Prue and the NDP. The time is yours; please proceed.

**Mr. Tim Sinke:** Thank you to the committee, of course, for being here and accepting my submission today. I believe the Clerk is passing out a hard copy of my submission, so I obviously won't read that verbatim but will take you through the highlights of that.

I'm the president of Acrobat Results Marketing, a company that has been operating in Ontario for the past 20 years. March is our 20th anniversary. We started with a bunch of folding tables and a few telephones and now employ over 350 people through a variety of offices and work-from-home infrastructure across the province.

Our business is IT research. We conduct business profiles and surveys with IT executives and managers amongst companies across North America and across the globe. We have to have cutting-edge training for our employees. This allows them to establish rapport with respondents in a constantly changing environment and, obviously, allows them to conduct the business of IT research in a professional manager.

We have, pretty much from day one, taken the approach of trying to focus on providing employment to

either under-employed or unemployed persons across the province. We operate in areas that are more economically depressed and we work with a variety of government agencies at different levels in order to fulfill our staffing needs. We've been recognized for that with a number of awards, as well.

Following the 2008-09 recession, we were obviously feeling the competitive pressure of what that recession brought about, and in particular the pressure from the United States. Quite a number of businesses there slashed their margins, and jurisdictions started to aggressively pursue relocating jobs to that environment. What we did at that point was evaluate our competitive needs to see what we could do in Ontario to continue to provide employment. At that time, we became sponsors of the information technology contact centre trade codes as apprentice sponsors for trade codes 634A, D and E. This allows us to purchase training for our staff that's immediately germane to their work and also allows them to become a certified journeyman at the completion of their studies. Not only is the program very popular amongst our staff; it has helped us as a company to become more competitive. It distinguishes us from our competitors and allows us not only to create more jobs but also to provide better jobs as we do our work.

In discussing, with a number of members of this committee in May and June of 2013, when the 2013 budget was being provided and the consultations were being provided, at that time, it was clear that there was some sense that the government was not receiving value for money from this program—and in particular, it was highlighted, very low graduation rates from the program.

1320

The ministry guidelines call for apprentices to move through the coursework and hours submissions in a period of two to four years. At that time, obviously, almost a year ago, our graduation rates were lower. I'm proud to say now, as of this moment, we've graduated 51% of our enrollees in the apprenticeship program, and we anticipate graduating 80% to 90% of them by the end of this calendar year.

We think that track record is very good. We are using the program as it was intended, and we are getting benefit from it. I suspect the government will be able to see that that kind of a graduation rate would be extremely beneficial as well for the money spent on the program.

In light of that, I'm asking the committee to consider re-implementing the Apprenticeship Training Tax Credit for these three trade codes: 634A, D and E. We think that we can demonstrate value. We think we can show that we can hit program objectives and that we can do so in a reasonable manner.

In order to demonstrate that, to show a better pay-for-performance model, we are suggesting that, in particular, for trade code 634A, which is the IT technical support agent code, that the ATTC be re-implemented for that code, following the level 1 exam being passed by the apprentice—that's about halfway through the coursework—and for trade codes 634E and 634D, which are IT

customer service agent and IT sales agent, respectively, that the ATTC be re-implemented upon completion of their coursework.

Furthermore, we suggest limiting the duration of the ATTC to 36 months for 634A and to 24 months for 634E and 634D.

We think, in total, this would deliver better value, allow more jobs to stay in Ontario and create a more competitive workforce. Thank you.

**The Acting Chair (Mr. Bob Delaney):** Thank you very much. Mr. Prue, you've got about eight minutes.

**Mr. Michael Prue:** I'm going to share half of it. You must have some too? Sure.

Since the government, in the last budget, made these decisions, what impact has it had on your company?

**Mr. Tim Sinke:** We have taken the approach of assessing our workforce that was enrolled in the program and trying to hurry them through the program as much as we can.

The ministry had called for two to four years. Let's say somebody joined the program in January 2013. Obviously, that two-to-four-year window is no longer applicable for them, so we have tried to hurry them through the program as much as we can.

For people who were not going to be able to complete on time, we were discontinuing the use of the program for them.

I understand that some of the other companies have been trying to just flood people into the program with the intention of trying to continue to scoop as many training tax credits as they can until March 2014, when the ATTC is suspended. We have not taken that approach. We have tried to focus on people who can graduate in the time frame.

**Mr. Michael Prue:** Okay. Well, that's commendable, because I did understand that some of the other companies were flooding.

**Mr. Tim Sinke:** I have as well.

**Mr. Michael Prue:** Okay. Your presentation is almost identical, and the requests are identical, word for word, to one that was made today by Erik Hamalainen, of ApprenticeLMS Ltd. Is this an industry-wide push? You're all asking for the same things?

**Mr. Tim Sinke:** We have worked with Erik for a number of years. Erik is a training provider, so, obviously, this affects him and his line of business as well. We buy our training from Erik. This is something that we talked about with Erik and with others as well. I can't say it's an industry-wide push. I only have a relationship with Erik, so I'm not sure how many other people or organizations may be in touch with Erik as well. I'm not sure.

**Mr. Michael Prue:** All right. So this is Erik's position and you've bought into it, and you're using the same words and have the same request, for basically the same reasons?

**Mr. Tim Sinke:** Yes.

**Mr. Michael Prue:** Okay. I think those are my two questions.

**Ms. Catherine Fife:** Thank you very much for being here. This morning, when Erik was presenting, there was a question from the government side questioning the value of a two-year training tax credit and questioning whether or not there was true value for the taxpayers of the province of Ontario for that two-year—

**Mr. Steven Del Duca:** There was no question about that. I didn't ask that.

**Ms. Catherine Fife:** You mentioned two years.

There's a turnover—a turnover was addressed. Can you talk a little bit about the value?

Also, the second point is that there was a point made this morning that if this training tax credit remains permanent going forward, we will see an exodus of jobs to other jurisdictions which are more, I guess, positive towards the apprenticeship training credits.

**Mr. Tim Sinke:** I'm a little unclear on the first question, but I think in general—what is the value of a two-year program? Is that generally the first question?

**Ms. Catherine Fife:** Yes.

**Mr. Tim Sinke:** This is a combination of coursework and hours on the job. In order to earn the hours needed to get the professional experience, for most of our people, that would be a minimum of two years. It might be a little bit longer depending on the number of hours that we work in a typical week. We find that for our people, it is difficult because they do this learning on their own time. It is difficult to mandate that they go through all of the coursework within a shorter period. We generally find that about two years, sometimes a little more, is the time that it takes for both the coursework and the practical hours. They kind of go at the same pace.

So for us, they start learning on day one. We put those skills to use on day one, but obviously over time it increases in value for us.

The second question, if you could?

**Ms. Catherine Fife:** Jobs going elsewhere, to other jurisdictions.

**Mr. Tim Sinke:** Okay. We are in the research business. We find competition from all over North America. There's Canadian competition and there's obviously American competition. Following the recession, we saw quite a number of states in the US really pushing on relocation, so aiding organizations to relocate their office with office credits and build-out credits and so on, but then also wage rebates and training credits south of the border. We have an operation in the US as well. We have not relocated any jobs because we felt this was the better take. Our staff are able to do a better job than the equivalent of somebody in the states that doesn't have this kind of training. So they're putting a big effort to lure jobs there. I find that a better-quality workforce has more benefit and commands a higher wage as well. Our business has grown in the last few years, not shrunk.

**Ms. Catherine Fife:** Thank you very much.

**The Acting Chair (Mr. Bob Delaney):** Thank you very much for your time.

For the benefit of committee members, the next scheduled deputation, the Ontario Council of Hospital

Unions, has withdrawn and, I'm advised, will present in North Bay.

The next scheduled deputant, entitled Racing Under Saddle Ontario, I don't believe is here. So with that, this committee will now take a five-minute recess. I'm asking members not to go too far away because if the deputant shows up then we're just going to begin. The committee is in recess.

*The committee recessed from 1328 to 1334.*

### RACING UNDER SADDLE ONTARIO

**The Chair (Mr. Kevin Daniel Flynn):** Okay, we can call back to order. Our next delegation has arrived. Sarah and Julie, if you'd like to come forward. Have a seat at the end of the table there. Make yourselves comfortable. Every delegation is getting 15 minutes; you use that any way you see fit. If you leave some time at the end, the questions this time around will come from the government.

**Ms. Sarah Town:** Okay. Perfect. Julie is just going to hand out a copy of our presentation.

**The Chair (Mr. Kevin Daniel Flynn):** Yes, we'll get the Clerk to do that.

**Ms. Sarah Town:** My name is Sarah Town and I'm the vice-president of Racing Under Saddle, or RUS, Ontario. This is the president, Julie Walker, of Racing Under Saddle.

We thank you today for the opportunity to appear before all of you. We are here today to offer you a snapshot of today's horse racing environment and to discuss what is necessary to maintain stability and public confidence in our industry in the coming years.

In Ontario alone, the multiplier effect of the horse racing industry is approximately \$2.6 billion per year in estimated revenues. Horse racing is considered the number three agricultural sector in all of Canada, based on revenue.

Horse racing is very labour-intensive. It is housed in rural areas where there are limited employment opportunities and where there are no large factories. Basically, where the racetrack is the only source of employment. People who race and compete with their horses generate a lot of opportunity to spill out past the people who work with the horses. For example, there is the person who supplies the feed; there is the blacksmith; there is the tack person; and there is the person who sells the trucks and services the trailers. It starts at the top with the horse people but it branches out well past that into the economy of the general rural areas.

It is approximately three to four years before an investment made in a yearling turns into an actual, viable racehorse. Ideally, we need to know that four years from now we are going to have the ability to race our horses. Our concern is that what was meant to be a well-intentioned move to maximize revenue opportunities for our government has the potential instead to rapidly become an economic and social catastrophe.

Going ahead with the abrupt change, implemented without enough analysis of the impact that it will have

and without any alternative measures having been put in place to offset this damage, risks ruining the lives of tens of thousands of ordinary, hard-working people, wiping out an industry that directly contributes more than \$2.6 billion to Ontario's annual income and also three times as much when you add the indirect and induced multipliers, and squandering rather than enhancing revenue potential for your government.

These days, horse racing and breeding is much more an industry of ordinary folks. It employs 55,000 people, 31,000 of whom are full-time, and very few are rich. Many live outside Toronto in rural areas, running small farms, breeding and boarding horses, or in nearby towns, providing veterinary, training, feed and transportation services. In Toronto itself, people work at the racetrack grooming and walking horses and keeping the horses healthy and fed.

Horse breeding and racing, in other words, is a far bigger industry than the officials who developed this recent policy change appear to understand. It spends more than \$1 billion annually producing, training and maintaining horses alone, nearly all of it in Ontario. Almost 40% of that is spent on training, which is the largest single cost, with much of the overall expenditure made in rural communities. Horse breeding alone pays out over \$60 million annually in wages, again mostly in rural Ontario.

What can racing under saddle, or monte racing, offer the Ontario gambling market? RUS provides a second career to a large number of standardbred trotters. It also provides an alternative industry for employment for thoroughbred and quarter horse jockeys. Racing under saddle is the second-largest wagering market in all of Europe. In Europe it generates just as much wagering as the live, on-track standardbred feature. Currently, many internationally recognized corporate sponsors such as McDonald's, UPS and other notable brands invest heavily in the industry to ensure its viability. It is with this model that Racing Under Saddle Ontario believes that we have a product that can generate corporate partners, offer Ontarians something new and will create an excitement in a market desperate for rejuvenation.

We feel that having a world-class racing circuit featured at Woodbine, Mohawk, Grand River, Hanover, Ajax Downs, Western Fair and Rideau would better represent the fan base in the greater Toronto area. The existing racetracks that have been proposed by the panel are centred on the standardbred horse population and not on the geography of the customer. Customers living east of Yonge Street would not attend live racing at the proposed venues due to the logistical challenges of reaching each venue. From a business perspective, it is paramount that some form of standardbred racing continue at Woodbine Racetrack. Simple improvements to the racing venue and an aggressive marketing campaign targeted at downtown Toronto would generate a new fan base and much-needed wagering revenues. Off-track betting parlours just don't offer the same experience to a new customer as going to a track and feeling the thunder that hooves provides.

1340

Ajax Downs is part of our proposal as a standardbred venue. We feel that the market surrounding the racetrack would be conducive to a new standardbred racing product and that a one-time investment in upgrading the racetrack would allow for a successful venture. By diversifying the racing circuit to include tracks that have never hosted the standardbred product, we can ensure that we keep the focus on the customer and not on the horse population. Ajax Downs would also service a whole eastern Ontario market that isn't currently reflected in the panel's proposal. The current racetrack alliance outlined by the panel will not prove to be sustainable for the live standardbred market.

We don't claim to have all the answers, and there is literally no limit to the initiatives that can be undertaken. But we would like to share with you here a few initial suggestions.

Work with current corporate sponsors to host an international racing under saddle series that would see teams from France, Norway, Denmark, Australia, Sweden, the United States and Canada compete for international glory.

Incorporate Racing Under Saddle Ontario to be a strategic partner in the Pan Am Games in 2015 by bringing a truly unique equine experience to potential customers in downtown Toronto.

Reduce the bureaucratic process to allow for wagering on racing under saddle products. Develop a lottery process that would complement the racing under saddle product and the live on-track product.

Direct the OLG to provide horse racing under saddle betting at all of its 11,800 distribution outlets to provide a new revenue stream for both government and industry.

Work with the Ministry of Tourism, Culture and Sport to develop and recommend a plan for maximizing racing under saddle and tourism benefits of all horse-related facilities and assets in Ontario. Offer a reciprocal travel arrangement with our European partners to offer world-class racing to non-industry based participants.

Work with the Ministry of Health and Long-Term Care to explore ways to maximize health, social and economic benefits that can be derived from therapeutic human interaction with horses; for example, with regard to autism, cerebral palsy and dementia.

What is important is to approach the new racing industry in Ontario with excitement and optimism, which racing under saddle embraces every day. For these reasons, we are urging you to urgently consider that there are alternatives that can enable our government to achieve its fiscal objectives much more effectively. These concepts we have presented are consistent with our government's stated commitment to maintaining and improving the quality of life for all Ontarians and particularly the most vulnerable.

Mr. Chair, I hope that the work we've done on this vital issue can demonstrate that we at RUS Ontario do not believe that the burden of our economy can continue the way that it is. We truly believe that Ontario is and can be a magnet for the world. Thank you, Mr. Chair.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much for your presentation. Very good. You've left almost seven minutes. The questioning this time comes from the government.

**Mr. Steven Del Duca:** I'll start. I have one quick question. I'm not sure if either of my colleagues will have any other follow-up questions. I wanted to thank you for being here with us this afternoon and for your presentation. You may be aware that recently the government of Ontario announced some transitional support or funding for the industry. I'm just wondering what your thoughts are with respect to the report that the committee brought forward and also the transitional support or funding that the government is proceeding with.

**Ms. Sarah Town:** I think a lot of what it says and the five-year projection that it's given—racing under saddle offers the new product that we're hoping will attract more customers, new customers into racing. I think it's a good way to cultivate more interest in racing outside of the horse community and into the more general public.

**Mr. Steven Del Duca:** Okay. That's it for me. I'm not sure if Donna—

**The Chair (Mr. Kevin Daniel Flynn):** I'm just wondering, just for the Chair and the rest of the committee, perhaps, too—I could be the only one. I don't know what racing under saddle is.

**Mrs. Donna H. Cansfield:** No, I don't. That's my question.

**Ms. Sarah Town:** Julie's actually a standardbred trainer, so I'll direct it at her a little bit. I know the answer, but—

**Ms. Julie Walker:** There were actually some pictures sent. I don't know; I guess everybody didn't get it. There was a briefing and information note, and a few pictures were sent because we were hoping that we wouldn't have to explain it.

Anyways, it's standardbred racing, except standardbreds aren't normally ridden; they're usually driven in a sulky. What this is is a hybrid between thoroughbred racing and standardbred racing. What we're hoping to do is combine the two and really come out of the standardbred world and really make it a big—

**Ms. Sarah Town:** Horse racing world.

**Ms. Julie Walker:** Yes, a horse racing world. We've got our thoroughbred world, our quarter horse world and our standardbred world. We're kind of a hybrid between the two. We're riding standardbreds.

**The Chair (Mr. Kevin Daniel Flynn):** Okay. I'm sorry, Donna, I didn't mean to steal your question.

**Mrs. Donna H. Cansfield:** No, no, that's fine, because I couldn't get that either. A second part of it is, it says here racing under saddle is the second-largest wagering market in all of Europe. Is that what you're working here to do, to produce a wagering market?

**Ms. Sarah Town:** We're working towards that, yes.

**Ms. Julie Walker:** That's how the horsemen benefit from racing, through wagering, and also the government. That's where the government and the horse people benefit, through the wagering.

**Mrs. Donna H. Cansfield:** Then that's the transition that the industry is going through. Have you been a part of the discussions with the three individuals—the government set aside a certain amount of money towards the industry as a whole. Have you been part of that discussion?

**Ms. Julie Walker:** Yes. What we need to do right now is become an actual part of standardbred racing, which we're in the process of with the Ontario Racing Commission. Right now, you've got your thoroughbreds. With Standardbred Canada, it's split into sections, and we need to become a part of the standardbred section. You need your rules and your regulations, and that's what we're in the middle of right now. That's where we're hoping the funding will help us, because when you go to the ORC, they're limited; their budget is limited, and they need new programs and everything in order for the bettors to have the information that they need in order for us to race.

**Mrs. Donna H. Cansfield:** I don't mean this to be an unkind question, but what makes this whole proposal so different from existing racing programs?

**Ms. Sarah Town:** We've been able to cross over, like Julie was saying, all three types of those. We had eight races last year, all of them being exhibition because we aren't at the point where we can be wagered on yet.

We invited Emma-Jayne Wilson, a top jockey from Woodbine on the thoroughbred circuit, and she rode for us.

A lot of the fans that standardbreds currently have—we also introduced thoroughbred race fans to Mohawk, which they would have really no other reason to come, unless they were already betting. So by crossing over the two—and then you've got exercise riders on top of that who can cross into this because we don't have the same weight regulations. So it's allowing a way for all the different types of racing to actually cross over and work together, which is what needs to happen, instead of these individual sectors.

**Ms. Julie Walker:** And also becoming international is a big thing. It's so—

**Mrs. Donna H. Cansfield:** Okay. It's the international part.

**Ms. Julie Walker:** It would be very different for thoroughbred and for standardbred racing to become very international.

**Mrs. Donna H. Cansfield:** But it's very expensive to bring horses over here from France and Norway and wherever. That's a very expensive proposition, to bring those horses over. I just look at what the cost is through the Queen's Plate.

**Ms. Julie Walker:** Yes. We've sent emails and messages, and what we're hoping for is a sponsor from Air Canada, to have an Air Canada international race and have them sponsor it. Every year, they have an international drivers' race with standardbreds, and there's a man in Europe who puts all these races together. They don't invite horses over, but the drivers go over. That's kind of what we're hoping, that we can travel as riders—

and hopefully horses, when they get the chance—to travel all over and make it international.

**Mrs. Donna H. Cansfield:** So, essentially what you're asking for is at the very preliminary stage, isn't it? I mean, in terms of discussion.

**Ms. Julie Walker:** Yes. We're hoping for funding to get us started. In order to get wagering, in order to get rules and regulations, it all costs money that the ORC is limited to.

**Mrs. Donna H. Cansfield:** What kind of money?

**Ms. Sarah Town:** We were proposing \$15,000.

**Mrs. Donna H. Cansfield:** So \$17,000?

**Ms. Sarah Town:** It's \$15,000.

**Mrs. Donna H. Cansfield:** So \$15,000.

**Ms. Sarah Town:** We're in discussions with the ORC and Standardbred Canada. One of the things that they're running into—well, there are a couple of things. To incorporate us into their IT program so that we can have charted lines: We already have charted lines on the horses, but if we start into wagering stuff, they're going to have to incorporate us into their program. Last year, any of the marketing costs or promotional was literally out of the two of our pockets.

**Mrs. Donna H. Cansfield:** Have you been well-received by the—I don't want to call them the three amigos, but that was taken by the Conservatives a while ago—by the three folks? Are they interested? Do you feel welcomed when you talk to them about—

**Ms. Julie Walker:** In our business? Like within the ORC and that?

**Mrs. Donna H. Cansfield:** No, no, no. Snobelen and whoever they are, the—

**Mr. Steven Del Duca:** Buchanan and Wilkinson.

**Mrs. Donna H. Cansfield:** Have you talked to them?

**Ms. Sarah Town:** Yes, we have sent emails and spoke with them. We haven't had a meeting with them yet, so I can't say a face to face—

*Interruption.*

**Mrs. Donna H. Cansfield:** I apologize. I think I took some of your time.

I think you should have a conversation with them. You're not talking a significant amount of money here, and they do have transition dollars.

**Ms. Julie Walker:** We've sent away all our fundings to the government. We talked to Gwen—I'm not sure; what's Gwen's last name?

**Ms. Sarah Town:** McBride.

1350

**The Chair (Mr. Kevin Daniel Flynn):** Well, Sarah and Julie, thank you very much for coming today. Great presentation.

**Ms. Julie Walker:** Thank you.

**Ms. Sarah Town:** Thanks for having us.

**The Chair (Mr. Kevin Daniel Flynn):** Are we going to see you again in Peterborough? I noticed you were on the upcoming agenda.

**Ms. Sarah Town:** You may.

**The Chair (Mr. Kevin Daniel Flynn):** We may?

**Ms. Sarah Town:** You probably will see us. We're all over the place for the next little while.

**The Chair (Mr. Kevin Daniel Flynn):** This time I'll know what racing under saddle is. Thank you.

**Ms. Julie Walker:** Thank you.

#### REGIONAL MUNICIPALITY OF HALTON

**The Chair (Mr. Kevin Daniel Flynn):** The next presenter is no stranger to any of us: Former Speaker Gary Carr, former MPP Gary Carr, former MP Gary Carr and now Regional Chair Gary Carr.

**Mr. Bob Delaney:** And goaltender.

*Laughter.*

**Mr. Gary Carr:** And former goaltender for the Legiskaters.

Well, thank you very much. It's so great to see everybody again. I just want to very briefly thank you for coming out. It's great to have you out here in Oakville. I want to thank both Kevin and Ted, of course, who are our members. I've really enjoyed working with them.

Going around the table, and I say this in all seriousness, we have all three parties—Michael is here, as well—but you've all been very good. Over the course of years, you've all been in government; you've all been in opposition. I must say that the ministers we've dealt with, the present one and the opposition leaders—it's a real pleasure to come in today.

With that, thank you very much. It's great to see you. I'm going to start by talking about the Legiskaters' breakout program and what we're going to do when we do the forecheck—I'm just kidding.

*Laughter.*

**Mr. Gary Carr:** The goaltender looked at me.

Today what I'm going to do is go through and fairly quickly just give you a bit of an update. There are a couple of slides towards the end that I would like to bring to your attention. I did put a presentation together; I'm not going to spend a whole lot of time, because a lot of you are from this area, but I did want to hit on a couple of things.

First of all, as you probably know, we at the region are a two-tier government. Today I'm going to talk about some of the things that we're requesting. The real important slides will be towards the end. If you see on there, there's a little bit of a background on Halton region, a little bit of our details. We have one of the—in fact, it is the highest average income in the country, at about \$129,800. It talks a little bit about our employment, our businesses and so on. That's just for your information.

For those of you who don't know, I did want to put in what the services are, for some people like Michael who come from Toronto, which is now one-tier. If you follow it, in the morning, getting up, when you recycle—that's done at the region. The water service is water/waste water. Driving to work, we have regional roads and we also have local roads. Where you go for lunch, we do public health inspections. We do business development.

In the afternoon, we have children's programs and children's services. Then, at night, we do operate three seniors' facilities.

This is a little bit of background on our citizens' priorities and what we're doing. As we sit here today, we have a AAA credit rating here at the region of Halton. The reason I say that is that it's one of the things I'm going to talk about in the end slides; we'd like to keep it that way, and it's no secret that Great Britain, the United States and the province of Ontario don't. The federal government has been in and out of AAA credit ratings, and so on. Everything is driven by trying to keep our AAA credit rating, because I don't need to tell anybody around the table how important that is.

We've been fortunate in being able to freeze taxes. Essentially, we've actually had four years of reduction since 2006, and I'll explain a little bit about how we do that as we move forward.

We want to talk about these issues, which are being able to talk about fairness, providing for growth, a little bit about the highways, and, as we move forward, some of the presentations will talk a little bit in more detail about where some of the real pressure points are. As you'll see in a minute, I'm going to show you where it really comes into play, because you are one of the largest funders for regional governments right across this province.

This one I've put in, and you may have seen this. Different numbers have been used, but the real key there is to see that this is the breakdown of the total taxes that are paid by the average family. The federal government takes 55%, the provincial government—and most of you will know this—gets 34%. We get 11% in municipalities, and that's split about 50-50 between our locals; so, here in Oakville, Oakville will get half of that 11% and half would be the region's.

Next, and this is the real key that I wanted to point out to you: Places to Grow, which is mandated by you in provincial government. Certainly, Places to Grow—I think I even remember back, that that started with Chris Hodgson, and we called it something different back then. But the real theme about all of the growth plans, I think, is something that is noncontroversial among all three parties. We know we have to plan for growth.

So our numbers have been set. We're a little over 500,000 now, but we're expected to go to 780,000, and we're the fastest-growing region, percentage-wise, not only in Ontario but in all of Canada, along with our good friends, of course, in York region—Milton being the fastest percentage, and I'm going to talk a little bit about where that plays into things like schools and hospitals and the whole paying for growth. So that's my real interest here today.

I won't spend a whole lot of time on it, but that is the capital budget for the region to the right there, and then a little bit about some of our projects. You can see the numbers. If you look, prior to—I guess when the who-does-what services came in, the region was spending in total maybe about \$50 million. This year alone, one of

the roads, Tremaine, is \$93 million, and the one bridge across Neyagawa was \$60 million. So one bridge cost what the region used to do historically for every road and every resurfacing. I wanted to give you some of the magnitude of what that means as we move forward.

The other quick one is Metrolinx. For those of you who don't know, regional chairs sat on that, and it worked reasonably well, the first Big Move. I was part of that, along with my good friend Bill Fisch and the politicians. Hazel McCallion was on there, and Mayor Miller. They changed that and took the politicians off there. But Metrolinx is extremely important to us. I don't need to tell you, because of the getting around—the number one issue to us in Halton region is being able to get around. So I wanted to highlight that. I wanted to thank you for some of the projects: the BRT project that we have, our half-hour GO service along Lakeshore West. Thank you for that.

We do have some pressure points, though: the Milton all-day GO service. We had that when I was on the board, and that has changed, so we wanted to highlight that for you and really point out the importance of Metrolinx. I think I don't need to tell anybody around the table here—most of you are from the GTA—that it's very, very important to everybody in our community.

This is the one I really wanted to show you, because it does highlight what has happened. I won't get into the details, but as you know, some of the changes and the who does what and so on and change—some of the funding responsibilities have changed as a result of the regional context. The reason they have changed is because of this: We all understand that the province has financial concerns, but what happened is because of the concern over the debt and the deficit, all of the growth has been capped at the rate of inflation to all of the ministries. That needed to happen; we understand that. But when you're growing beyond the rate of inflation, you don't need to have a PhD in math to know that what happens is—and I'll take paramedic services. Originally, it was supposed to be 50-50. That now is 45, so we have to pick up the shortfall. So when I meet with our good friend Deb Matthews, the Minister of Health, what we say to her is—we can't say, "Well, we're not going to have EMS services," because, quite frankly, they're, as we all know, life-saving services. We have to pick up to be able to provide the services in those areas, and so we are actually helping fund it. There are some services where you may be able to say, "Okay, we're not going to fund those ones." Particularly when it comes to EMS, I think we all know that we can't. So in order to provide those services, we actually have to spend some extra money.

The bottom line in all that is the amount of money that that adds up to is approximately \$7 million a year, and I'll call it on our operating side, where we don't get funding. It's primarily the paramedic services, the EMS, and a little bit in the public health services, because as you know, the region does that.

Then, on the capital side, by not collecting through DCs—we have about \$8 million that we don't collect,

because we've had to pick up things that normally would be in there through the DCs, and you know you're taking a look at the DCs.

So to put that in perspective, it's about \$15 million, and the \$7 million on the operating side—about \$2 million works out to be a 1% increase in our property tax rates here at the region. So, essentially, what you're looking at is with that \$7 million—it's actually a little over \$7 million. You're looking at about a 3% to 4% increase by losing this funding, and that's not far off. I've heard Susan Fennell talk about the 3% to 4% in the Brampton area as well. So I wanted to highlight that for you.

**1400**

Where I'm going with all of this as we move forward is, with your financial circumstances, all we're saying is based on Places to Grow, we will continue to meet that mandate that you've forced on us. But if you don't provide the funding, then we respectfully reserve the right not to continue to grow based on what the sharing is.

I'm also going to show you a little bit of the affordable housing, because that's an important component that we do. I don't know what you're doing in most of your communities. Toronto, I don't think, has built any. Toronto has a real problem that, when they got their stock, a lot of it was outdated and not in very good shape. Halton's was in pretty good shape when housing was given to us, but we've been able to actually build 894. When I came in as chair in 2006, we put together a task force. With your help at the province and the federal government, we've been able to do that.

But, as you know, the critical thing is now the federal government hasn't said they're going to do it. We've met with the minister. There's no commitment on it. We will continue to be able to provide affordable housing, but we need your help and the federal government's support. If the feds don't jump in past 2015, then we're in your hands to what you want to do, because, as you know, it's a third, a third and a third.

Our message here—and it's an important one. Unfortunately, I can't see it, but provincial subsidies are 21% of our revenue. The federal government is only 2% of subsidies, and it's no secret: We are the creatures of the province. We have more. You do health care. You do education. That federal 2% is primarily in the housing and a little bit of infrastructure.

The reason I wanted to show you that, that is regional services, at the local level they don't have that as much. So we are really relying on your subsidies as a regional government more than the local municipalities would be. That's why we need your help. If any changes are coming to your funding—good, bad or indifferent—we need to have a little bit of time to be able to adapt to that. That's really all we're asking.

Having been at the provincial level, it's up to you. I think everybody knows things need to be done. I can be political. Different parties have different levels of how they want to do it. Regardless of that, just let us know in

enough time so we can prepare. If it's going to be a dramatic reduction, that's great. We can prepare for it. If it's a more gradual one, that's good too. We will adapt. But please just let us know.

**Oops.** That's the button I wasn't supposed to hit, Jon.

Anyway, in wrapping up—that's the last one, actually. So to open it up to questions—there isn't a whole lot of time today: gary.carr@halton.ca if anybody has any follow-up questions.

Obviously, again, thank you very much for your help and support. I say this in all seriousness: I really, really appreciate it. I've got a lot of friends around this table, and it's great working with all of you. I really enjoy it. With that, I'll open it up to questions. Thanks, Mr. Chair.

**The Chair (Mr. Kevin Daniel Flynn):** Wonderful. Thank you, Gary.

The questions, this time, come from the Conservative end of things: Ted Arnott.

**Mr. Ted Arnott:** Thank you very much, Mr. Chair, and thank you very much, Mr. Chair, for your presentation this afternoon. I certainly would like to reply to you that it is a pleasure to work with you and the other members of regional council. I think regional council does an outstanding job and, under your leadership, there's been incredible progress in recent years. I certainly wish you luck in the year ahead.

I think you're a bit too modest, because you could have dwelled more so on the fact that this is the eighth consecutive year of an average 0% tax increase for regional programs and services while maintaining the AAA credit rating. It's an incredible achievement, really. It's only over a period of sustained, I think, fiscal discipline and continued efforts to ensure efficiency in government services that any municipality can achieve. Would you care to comment on how that's been achieved and, over time, how it will be achieved going forward?

**Mr. Gary Carr:** First of all, I should disclose my friendship with Ted. For those of you who don't know, when we came in in 1990, we came in together. A and C—he was my seatmate, so everything I learned about politics, I learned from this fine gentleman. We kiddingly say Mike Harris put us together, but I think it was just alphabetical. So thank you very much, Ted.

But in all seriousness, the way we've been able to do it—I've talked about the growth. We have been able to capture the full cost of growth where other municipalities haven't. How we've done that is, and without getting too technical—what happens in most cases, the developers ask municipalities to front-end it. We don't; we ask the developers to front-end it. Over the course of the next few years, it's \$3.5 billion.

One of the developers said to me—actually it was at one of the fundraisers for the political parties—"I was going to invest \$200 million in the US and I can't because I have to front-end all of this growth up here in the region." What I said to him was that, "My responsibility isn't helping you to grow in the US, as good as that is." It's great market strategy to do that when the market is low, but we have to protect our taxpayers, and

the way we've done that is getting them to front-end it. You can imagine, with \$3.5 billion, if we had to front-end that, our AAA credit rating would be in jeopardy.

Having said that, without getting too long-winded in the answer, the way that you do that is by being able to provide—

*Interruption.*

**Mr. Gary Carr:** That's my call time, is it? I'll wrap up very quickly.

The way we do that is to be able to have them front-end-load it. What we can do then is increase our budget, which we've done on the roads, for example, from about \$60 million up to \$298 million, but they pay for it.

In closing, let me say this. Most people say, "If you increase development charges, the price of homes will go up." I can tell you right now, as the fastest-growing region, we have the highest development charges. Just today I was talking to the developers. There's an opening of a new subdivision. They literally are busing people in because they're selling out within hours. We don't pay for any of that—all of the front-ending on all of the costs. So the old theory by the developers that if you do that, nobody will be able to afford it, isn't true. We've been able to keep our AAA credit rating and we're still the fastest. So we look forward to continuing to do that over the next little while.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you for joining us today, Gary. It's appreciated. Good presentation.

**Mr. Gary Carr:** My pleasure.

Sorry, Mr. Chair, I can't get this off.

**Mr. Michael Prue:** They do it from there.

**Mr. Gary Carr:** They do? Okay. That's so Katch can cut me off if he has to.

**The Chair (Mr. Kevin Daniel Flynn):** You're used to the region.

**Mr. Gary Carr:** I had that when I was Speaker. I got to cut everybody else off. Thanks, ladies and gentlemen. Great to see you.

**The Chair (Mr. Kevin Daniel Flynn):** Payback time. Thank you for coming today, Gary.

#### MS. KATHRYN BATEMAN OLMSTEAD

**The Chair (Mr. Kevin Daniel Flynn):** Our next presenter this morning is from the Halton school board: Kathryn Bateman Olmstead. Kathryn, if you'd like to come forward? Make yourself comfortable. Do you have a handout for us?

**Ms. Kathryn Bateman Olmstead:** I do, but I'm really confused because I was very clear that I was here as an individual, an independent person.

**The Chair (Mr. Kevin Daniel Flynn):** Oh, okay.

**Ms. Kathryn Bateman Olmstead:** Is that what it says there?

**The Chair (Mr. Kevin Daniel Flynn):** Okay, that's fine, then.

**Ms. Kathryn Bateman Olmstead:** It says, "Individual"?

**The Chair (Mr. Kevin Daniel Flynn):** It just says your name. I just knew you were a trustee so I was trying to—

**Ms. Kathryn Bateman Olmstead:** I need to be clear on that, thanks.

**Mr. Victor Fedeli:** So she's here as an individual? Is that what I heard?

**The Chair (Mr. Kevin Daniel Flynn):** Yes, she is an individual.

**Ms. Catherine Fife:** As is her right.

**Ms. Kathryn Bateman Olmstead:** Absolutely.

I would like to thank everybody for this opportunity.

"I am a 56-year-old. I have struggled and worked all my life. I had a small stroke, lost my job, stopped eating, drank too much alcohol and lost my short-term memory. I've been in hospital since August 9. I've been medically healthy since about the 25th. I have no place to go and no place to call home. I have Korsakoff syndrome; it's more like amnesia.

"I rely on old memories to keep me going. My morals, values and pride are intact. I have all of the same emotions that each and every one of you do. I can still contribute to my living environment. I can take care of my personal hygiene. I can cook, clean, serve, care for others, read, write, add, subtract, shop, walk, complete crosswords and Sudoku, talk and engage you in a decent conversation.

"I'm on the wait-list for a long-term-care facility.

"I do not belong in a long-term-care facility, where I am prohibited from making tea and toast, showering independently, earning an income or helping others. I do not belong in a facility that is geared to medically and behaviourally fragile people over the age"—

*Interjections.*

**The Chair (Mr. Kevin Daniel Flynn):** Guys? Guys! Ted! Gary!

**Mr. Michael Prue:** We can't hear.

**Ms. Kathryn Bateman Olmstead:** Thank you. I appreciate that.

**The Chair (Mr. Kevin Daniel Flynn):** That's okay. You pick up anywhere you want to.

**Ms. Kathryn Bateman Olmstead:** "I'm on the wait-list for a long-term-care facility.

"I do not belong in a long-term-care facility, where I am prohibited from making tea and toast, showering independently, earning an income or helping others. I do not belong in a facility that is geared to medically and behaviourally fragile people over the age of 75, unless, of course, it is also my place of employment.

1410

"I am only one of thousands in Ontario. My story is becoming more common each and every day. I am young, I have issues and I need alternative living arrangements. Please don't write me off. Work with me and I will contribute until I can no longer. I want to earn my keep. Please help me to do so."

In truth, as you know, my name is Kathryn Bateman Olmstead. I understand the complexities and the competing interests. I am a mother, daughter, wife, sister

and the sister-in-law of the woman I just spoke about. I am only two years younger than Lynda, and what we have experienced with the health and long-term-care system is unbelievable and not unlike many other government services.

Lynda is what we know as a bed blocker. It is not her fault, and at this time there is nothing our very small family can do to help her except to visit, stimulate her brain and advocate for her. Lynda requires 24-hour support only because she forgets. She forgets to eat, she forgets where she is and she may forget what she is doing. She will get lost and cannot easily remember or learn new information. Lynda's memory is improving despite her prognosis. Lynda is on alternate care in the hospital, which means she receives nothing other than food and some encouragement to shower every few days. She really receives nothing. It's been five months now. Just imagine—nothing.

Initially, we attended a discharge planning meeting with hospital staff where we were told that we must accept the first available long-term-care bed known as an idle or empty bed. I diligently did what I was told and visited homes with empty beds and short wait-lists. I encourage each and every one of you to do the same. There are empty beds for good reason. These old facilities still have four beds per room separated by dirty, torn curtains; some broken windowpanes; stained, smelly old furniture; narrow hallways; minimal natural light; and crowded living spaces without a room to sit and visit with a friend. Imagine calling this home.

Thankfully, I did my research and learned that the hospital policy contradicts the CCAC policy, which meant that the initial discharge meeting with four hospital staff, where we were given inaccurate information, was unnecessary and misleading. We then met with CCAC and hospital staff. Then we met with four CCAC staff and four hospital staff, and then I met with the manager of the hospital unit, and I met with the social worker and I met and I met, and I continue to meet. This, all at the expense of the taxpayer.

I have jumped every hoop, over and over again. Lynda is still in the hospital, unable to access the daily activities provided to other patients because she resides on the wrong floor. Lynda is unable to access the on-site gym equipment because it is only for outpatients. Lynda is unable to access volunteers in the hospital because she doesn't qualify. Lynda is unable to go to a day program for mental stimulation because it is for residents living in the community. Lynda does not qualify for any of the brain injury programs because she cannot retain the information quickly enough. Lynda does nothing every single day. Lynda is not appropriate for the group home because they fear she will get lost, and yet nothing is being done to ensure that Lynda's condition improves.

The wait-list for long-term care is between one and three years. Though this is a completely inappropriate and costly solution for Lynda, it is our only option at this time. I know we should be thankful.

My brother works long days and some weekends. I work for a stipend. My retired 76-year-old mother resides

in Whitby. We have exhausted every avenue to find affordable, supportive living arrangements for Lynda or for Lynda and my brother. There is nothing. Now we wait. We will continue to support Lynda and hope that our circumstances change so that we may become her primary caregivers. We are average people. We are all Lynda has, and we know that there are alternatives.

I applaud the work the government is doing to improve the system. I applaud the client-focused philosophy and the Home First program, but we must do it differently, we must do more and we must do it quickly.

In the meantime, I concern myself with the education of my children. I have jumped those hoops, too. I have attended the meetings and experienced the wait-lists for psychoeducational testing and for child and adolescent mental health support. I have paid for tutors, volunteered in the playgrounds and classrooms, and supervised primary students during lunch so that they would not be required to eat alone. I have intervened in the bullying and inappropriate interactions between students on the school ground and listened endlessly to the stories of unhappy students and parents.

Ontario does provide a decent education for most students, but, just like in health care, there are gaps in service. I know this government continues to invest in and improve education, but again, we must do it differently, we must do more and we must do it quickly.

Like the government of today, I believe in public health and education. I believe in prevention, early intervention and I believe in safe, supportive living and school environments. I believe in the power of a caring doctor, teacher or practitioner, and I know that the specialization of a teacher in the classroom or a doctor in the operating room can make the difference between a productive existence, life and death.

And so goes the circle of life in the western world. We are born into and leave out of the health care system. We graduate into and out of the education system and somewhere in between, we work to support ourselves and our systems.

Today, I want to thank you for this opportunity and for the difficult work you do. I ask that health and education remain top priorities for the government of Ontario and I respectfully ask that the politicians of the day work to:

- eradicate the duplication and redundancies in the education, health and long-term-care systems;
- create one school system;
- streamline health care services;
- eliminate the bureaucratic, systemic and financial barriers to excellent education and excellent health care;
- resource alternative, less restrictive and supportive living environments so couples, families and others may live together in safe, intentional communities;
- resource healthy, safe and accepting schools by investing in the supervision and guidance of elementary students during unstructured times;
- invest in emergency and mental health first aid and CPR strategies beginning in kindergarten and with members of the public sector; and

—integrate business and education.

Finally I ask: If not you, then who? If not now, then when?

I am happy to take questions, and I thank you once again.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Kathryn—a very good presentation.

The questions this time come from the NDP, Catherine or Michael?

**Ms. Catherine Fife:** Nice to see you, Kathryn, and thanks very much for coming in. It's a very powerful presentation that you gave us today. I think Lynda is incredibly lucky to have an advocate like you.

You move into the education system later in your presentation, but the frustration that you are currently undergoing with regard to finding an appropriate intentional supportive housing option right now—is the best-case scenario waiting for long-term care? Is there no alternative out there at all?

**Ms. Kathryn Bateman Olmstead:** Nothing. I have spent hours, days, weeks.

**Ms. Catherine Fife:** And so all of these people who are employed through our LHINs and our CCACs—none of these people have been able to help you either find not just housing perhaps in Halton, but perhaps someplace else?

**Ms. Kathryn Bateman Olmstead:** They suggested that we could try Niagara Falls. We could try Whitby. None of this is real. When you are the only support for somebody who is aware, just can't remember, you can't abandon them.

My brother took the hit in the last economic downturn, so he works for minimum wage at the age of 52 because there's nothing else for him. So we are the average citizen. It doesn't make sense, as it wouldn't for us to move one of our children requiring support hours away from their support network. It just doesn't make sense. So we wait.

**Ms. Catherine Fife:** Thank you. Actually, your presentation has given a little bit more weight to some of those that we heard this morning around people who are living on the margins of society. I just wanted to thank you very much for coming in.

Do you have any questions?

**Mr. Michael Prue:** Yes. How much time do I have?

**The Chair (Mr. Kevin Daniel Flynn):** You've got two minutes.

**Mr. Michael Prue:** Okay. You've made a very compelling case here, and I have often thought that the long-term-care facilities are geared primarily to those over 75 and those with dementia and other things. I had an aunt—who has since deceased—who had a series of strokes. Although she had her wits about her to the end, she resented enormously living in a long-term-care facility where nobody had any wits about them, but there was nowhere else for her to go.

1420

I question: Have you inquired as to why there's nowhere else for people to go? I get this at least a couple

of times a year in my constituency office—stories like your sister's. There's nowhere else to go except a long-term-care facility and live among people with dementia.

**Ms. Kathryn Bateman Olmstead:** I think we haven't caught up yet, as a matter of fact. That's what I think is happening. I hear that there are changes occurring, but we have very strict rules. That's why I wanted to explain to you why Lynda can't access any of the other services that are actually out there that could be helping her right now and also filling in her time. We have such stringent rules. You see it in education, too. I have to tell you that personally I almost lost my mind and had to take a couple of weeks away from the hospital because there's no difference between dealing with the education and the hospital and long-term-care systems. They are systems. We're not focused on the individuals. The system is continuing to work for the system, and somewhere along the way, because of our stringent rules and regulations, the actual people aren't getting what they need. You see it in education, you see it in health care and you see it in social services, where I worked for 10 years. It's a systemic issue. I believe that everybody has a place and that the good work of the front-line workers should not go unnoticed, but it is the system that permeates a constant barrier to what's really good for the individual.

**Mr. Michael Prue:** Is this because it's micromanaged out of Queen's Park instead of being based in the community? Is that part of the problem?

**Ms. Kathryn Bateman Olmstead:** I think that could be. I think that there could be more and more community answers. There are all sorts of people right now who are living in intentional communities; that's why I put it there. They're living in intentional communities. Well, I would run an intentional community, but right now, I can't afford to. I can't move out of my just newly downsized home to incorporate my brother and Lynda and eventually my mother. I believe that there all sorts of solutions outside of the box that will be less costly and create a more happy environment. Thanks.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you for coming today, Kathryn. It was an excellent presentation, and I think it got a few people thinking here. Would you talk with Ellen on the way out? Ellen is sitting in the audience.

**Ms. Kathryn Bateman Olmstead:** Okay.

#### INTERIOR SYSTEMS CONTRACTORS ASSOCIATION OF ONTARIO

**The Chair (Mr. Kevin Daniel Flynn):** Our next presenter for today is Interior Systems Contractors Association: Jeff Koller. Jeff, would you like to come forward? Make yourself comfortable. You have 15 minutes like everybody else. Use that any way you see fit. If you do have any time left at the end, the questions will come from the government side this time.

**Mr. Jeff Koller:** Thank you very much.

**The Chair (Mr. Kevin Daniel Flynn):** You're welcome.

**Mr. Jeff Koller:** Ladies and gentlemen of the committee, thank you very much for allowing me to present to you today. I'm here really to reinforce something that I think everybody in this room is aware of, thanks to the good work of Mr. Del Duca and the Honourable Dave Levac before him.

Let me begin just by reading what you have in front of you. It's about the need for prompt payment in the Ontario construction industry.

The construction industry is widely acknowledged as one of the primary drivers of growth in Ontario's economy. Yet all too often, construction contractors are made to wait unreasonable lengths of time to get paid while maintaining their own obligations to pay their employees, the Canada Revenue Agency, Workplace Safety Insurance Board premiums, employer health tax premiums, and health and welfare benefit plan contributions. This is unfair and it creates a serious imbalance that undermines the liquidity of employers and their ability to help drive the economic growth of this province.

Construction is unique in how employees get paid. Developers control the money through private investors and bank financing. In most cases, developers hire general contractors who often act as project managers, overseeing the project and contracting out work to the various trade contractors for structural, electrical, plumbing and interior finishing work, just as examples.

Often the trade contractors will further subcontract portions of their work to other companies or individuals, the result being a pyramid structure where those who control the money do not directly employ most of the employees who do the work. General contractors are forced to wait to get paid by developers before they, in turn, can pay their trade contractors and subtrades. Those at the bottom of the pyramid are frequently forced to wait 120 days or longer to get paid for the work they have completed.

It is worth noting that more than half the workers in this industry are employed by firms with fewer than 20 employees.

In 2012, the construction industry provided employment to 434,000 Ontario workers, which represented 6.4% of overall employment in the provincial economy. This comes from a study called The Need for Prompt Payment Legislation in the Construction Industry, which was conducted by Prism Economics and Analysis.

The same study also points out that construction accounts for 40% of all active apprentices in the province, making the industry the largest investor in apprenticeship training.

The existing inequity imperils employment and apprenticeship growth, and inhibits the ability of small and medium-sized contractors to invest in machinery and equipment as well as bid on additional work and grow their business. That means fewer jobs are created, and slower economic growth for the province.

The study goes on to cite seven main reasons such legislation is needed, from a perspective of fairness in the

industry as well as its economic importance to both the province and the industry.

(1) Employment in the construction industry is lower because contractors must limit their payroll commitments to reflect the amount of payment risk that they can afford to take on.

(2) There is less investment in apprentices. The logic of the apprenticeship system is that an employer recoups its investment in the later stages of an apprenticeship. However, that requires a long-term commitment to increase payroll. Payment risk discourages long-term payroll commitments and, by doing so, discourages investment in apprenticeships. This, in turn, has a broader economic impact, because the construction industry accounts for approximately 40% of all apprenticeship.

(3) There is a greater use of independent operators. This touches on another area that I'd like to just touch on briefly, and that's the underground economy. The previous two provincial budgets have addressed the issue of the underground economy. I'll just say briefly that \$36 billion is what Stats Canada has identified. Approximately one third of that comes from the construction industry. You as a province, and the federal government, lose between \$1.4 billion and \$2.4 billion each year in revenue leakage to people who are participating in the underground economy. A lot has been said about it in the past, but still nothing is done.

Getting back to the main part of the presentation: Greater use of independent operators—which, by the way, is the single biggest catalyst to the underground economy; as an example, individuals working as subcontractors—in place of hourly-paid employees reduces exposure to payroll risk but also eliminates deductions at source, which, in turn, significantly increases the opportunity for tax evasion and complicates the collection of WSIB contributions.

(4) There is less investment in new machinery and equipment. Faced with the risk of late or uncertain payment, contractors curtail the overhead risk that comes with leasing or purchasing new machinery and equipment. The effect is to reduce productivity growth.

(5) Construction costs are higher because contractors must factor into their bids the financing costs associated with the risk of late payment. Owner-developers in both the public and private sector must pay this risk premium even when they adhere to prompt payment norms. The opportunistic behaviour of the minority drives up costs across the board.

(6) Construction costs are also higher because bidding pools are smaller. Payment risk limits the amount of work that contractors take on. As a result, bidding pools are often reduced.

(7) Late payment practices erode the level playing field. Those that maintain honourable practices are put at a disadvantage, compared to those who "game the system."

Again, that all came from this study.

It's time to adopt the example set by the United States, the United Kingdom, Ireland, the European Union,

Australia and New Zealand. In the US, the federal government and 49 states have prompt payment legislation in place for publicly funded construction projects, and 31 states have legislation in place governing private sector projects.

It is simply the right thing to do, as demonstrated by the all-party support that Bill 69, Steven Del Duca's private member's bill, received at second reading last May. All three parties identify job creation as a focus and top priority. Prompt payment in the construction industry provides an opportunity to help those who create jobs, the small and medium-sized businesses of Ontario. By supporting and enacting this important legislation, you have an opportunity to advance that goal, to help employment and apprenticeship growth in Ontario, and specifically help the hard-working Ontarians who grow our economy with their disposable income.

Mr. Del Duca's Bill 69, the Prompt Payment Act, 2013, would oblige construction developers to pay their contractors and subcontractors within a reasonable time frame after work has been completed. This is not a novel concept for anyone outside of the construction industry—just ask anyone who has ever had a utility, their cable or their telephone service cut off for non-payment—and it is not the first time an MPP tried to address this important issue. The Honourable Dave Levac also introduced a private member's bill on prompt payment: Bill 211, Protecting Contractors Through Prompt Payment Act, 2011.

#### 1430

Money flows in the construction industry from developers to general contractors to trade and subcontractors, and so on down the line. It is the trade and subcontractors at the bottom of the pyramid who hire employees to do the work, creating jobs and driving the economy forward.

Unfortunately, a different set of standards seems to apply in construction that wouldn't be tolerated in any other sector. Late payment has become more the norm than the exception, which in turn prevents a small contractor from hiring new employees, paying their own bills and tax obligations, and, in extreme cases, meeting payroll. As an example, just one residential drywall contractor has recently been reported in the media as having accounts receivable of \$7.6 million, \$6 million of which were more than 120 days past due at the time.

One would think that, in a minority government, if you have a piece of legislation that all three parties support and which would appear to be the morally right thing to do, and which would seem to make economic and common sense, it should be a no-brainer, yet that's not what has happened so far, as we still do not have this important legislation in place.

I appear before you today to implore you to do the right thing and commit to passing a prompt payment law to help protect the hard-working, tax-paying construction contractors and their employees, but I ask you to keep in mind that it is the vast majority of the construction industry that is asking for this. The following list is of

construction associations that endorse the adoption of prompt payment legislation. Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Jeff. Any questions coming from the government side? Steve? Is your first question, "Why is Bill 69 such a wonderful bill?"

*Laughter.*

**Mr. Steven Del Duca:** How much time?

**The Chair (Mr. Kevin Daniel Flynn):** You've got five minutes.

**Mr. Steven Del Duca:** So, really quickly, I noticed that at the end of the presentation, in the handout, you do list all of the construction associations that are supportive of what you're asking for today. Just out of curiosity, on the other side, I guess, of the equation in terms of labour unions, organized labour, what's the feeling with respect to the bill from that community?

**Mr. Jeff Koller:** Fully supportive.

**Mr. Steven Del Duca:** "Fully supportive" being—can you elaborate a little bit?

**Mr. Jeff Koller:** They would love to see prompt payment legislation passed as well. I mean, it's the workers who are employed by the contractors who are suffering.

**Mr. Steven Del Duca:** So when you say "they," is it the building trades that we are talking about, or—

**Mr. Jeff Koller:** Yes.

**Mr. Steven Del Duca:** Okay.

Secondly, are there any other sectors within the construction industry that have concerns about the bill, or the idea, the concept?

**Mr. Jeff Koller:** Perhaps.

**Mr. Steven Del Duca:** Could you elaborate a little bit?

**Mr. Jeff Koller:** Those would be the people, most likely, who control the money at the top of the pyramid and don't want to pay their bills. In terms of a morally defensible opposition, I would say no.

**Mr. Steven Del Duca:** Okay. I'm done with questions. Thanks, Chair. Thanks, Jeff.

**The Chair (Mr. Kevin Daniel Flynn):** Jeff, you did a great presentation. You obviously answered all the questions.

**Mr. Jeff Koller:** Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much for coming.

**Mr. Jeff Koller:** My pleasure. I have business cards; if anyone would like one, I can come around the table. They're brand new.

**Mr. Victor Fedeli:** Well, we'd better have one.

**The Chair (Mr. Kevin Daniel Flynn):** Freshly printed. Why don't you just leave a pile on the corner there?

way you'd like. Leave some time at the end if you want to for questions. Questions will come from the Conservative Party this time.

**Mr. Gary Rygus:** Excellent.

**The Chair (Mr. Kevin Daniel Flynn):** It's all yours.

**Mr. Gary Rygus:** Thank you very much, Chairman. Good afternoon. My name is Gary Rygus. I'm the director of government relations for the Retail Council of Canada. On behalf of Retail Council of Canada members operating across the province of Ontario, thank you for the opportunity to appear before the committee today.

The Retail Council of Canada has been the voice of retail since 1963, and we have members who operate more than 45,000 storefronts nationally, 17,000 of which are in Ontario. We represent an industry that touches the daily lives of most people in the province. Our members represent all retail formats: department, specialty, discount, independent stores and online merchants. While we do represent large mass-merchandise retailers, a significant number of our members are in fact small, independent merchants.

As an employer, retail is number two in Ontario, with more than 810,000 jobs generating over \$165 billion in annual sales.

Retailers invested over \$3.5 billion in Ontario in 2013, as they did in 2012, and it's expected that they'll do the same in the future for the province of Ontario.

According to Stats Canada, Ontario sales are up 1.7% for 2013, as compared to 1.6% in 2012. The 2013 year in sales will probably be up by about 2%. Ontario continues to be in the bottom third of provinces, growth-wise, along with New Brunswick and British Columbia. Going forward, retailers expect to generate sales in the range of 2% to 2.25% for 2014.

The average wage for full-time front-line staff, according to Statistics Canada, is about \$16 per hour, or \$11.37 hourly for part-time.

Consumer debt remains at an all-time high level, and this continues to have an effect on disposable income and discretionary purchasing going forward. According to a recent survey, one of many, Canadians remain cautious when it comes to opening up their wallets. More than half of Canadians surveyed feel the country is still in a recession, despite the fact that the economic downturn officially ended in the fall of 2009. This creates challenges for retailers. The global financial crunch continues to make it tough to forecast future sales, especially with slowly recovering economies in many countries. Faced with these challenging circumstances and a turbulent economy, the government must focus on improving the conditions for economic development. The government must foster a positive, job-creating environment.

RCC supports the leadership Ontario has taken with adoption of the HST as part of its tax reform package in 2009, and the government needs to continue the changes that were introduced in that same budget, which includes reducing corporate income taxes. In fact, accelerating the unwinding of the restricted input tax credits would be an indicator to business that Ontario is mindful of

#### RETAIL COUNCIL OF CANADA

**The Chair (Mr. Kevin Daniel Flynn):** Our next presentation this morning comes from the Retail Council of Canada. Gary, if you'd come up. There you are. Make yourself comfortable. You have 15 minutes; use that any

supporting business activity and reducing costs. However, more needs to be done for controlling business costs. We offer a few examples.

RCC was an active member of the recent minimum wage panel. The report was finalized and submitted to the Minister of Labour last month and is expected to be released sometime this month. RCC provided input into the process based on principles that support the need for certainty, predictability and affordability as cornerstones of any future minimum wage adjustment.

We believe the adjustments should be linked to Ontario's consumer price index, and adjustments should provide businesses with a minimum of a four-to-six-month lead time to implement. This approach is a reasonable path that should minimize job creation impact in this nervous economy.

During these difficult economic times, the government must create the conditions that support job creation. We believe large minimum wage increases do not create jobs. In fact, labour costs for retailers are set as a percentage of sales, and when large changes take place in minimum wage, this would cause retailers to shift full-time jobs to part-time jobs, and part-time positions would have their hours reduced accordingly.

The government needs to find additional ways to reduce taxes—and changes that support job creation.

As support to smaller businesses, RCC continues to recommend raising the employer health tax exemption threshold to \$1 million. At its current level, Ontario is uncompetitive with other provinces that have payroll-type taxes. We acknowledge the 2013 budget move of increasing the exemption threshold to \$450,000, but this is too small a change to provide significant impact on the job creation front. To further support hiring of full-time staff levels, the government should consider providing, in fact, a one-year employer health tax holiday for employers.

RCC supports the efforts of WSIB management to reduce the unfunded liability fund, currently set at \$11.3 billion. A 0% increase for 2014 premiums will not add further costs to make Ontario less competitive in the job creation front. The WSIB must maintain its laser focus on managing the revenue stream and not become complacent in its efforts to achieve a zero unfunded liability.

On the environment front, RCC recommends that the government work with other provinces to harmonize product stewardship programs. The introduction of Bill 91, the Waste Reduction Act, as drafted, does not improve the level of waste diversion in Ontario. It only creates additional costs and an administrative burden for the retailers. RCC looks forward to working at committee stage to present amendments that will add value to this significant piece of legislation.

**1440**

We'd like to remind government that retailers must be permitted flexibility to show environmental levies separate on the sales receipt. Visibility of fees provides the opportunity for customer education. This approach is consistent with an open and transparent approach that is

currently being supported by the government when it comes to funding potential infrastructure improvements.

Along the infrastructure front, retailers understand the need for infrastructure improvements and congestion reduction for transportation of consumers and for logistics because of their broader economic impact. However, retailers will not support tools that disadvantage any one sector of the economy or create economic distortions, as was previously suggested regarding parking space taxes or regional sales taxes. New tax sources should be a last resort, with every effort made to reallocate first from existing funds, and with strict audited controls in spending programs. Spending must be open and transparent so as to demonstrate accountability to the taxpaying public.

We support fast-tracking the Open for Business initiative. Change the way government creates legislation and adopt a business lens focused to creating legislation by asking the question, "Does this legislation add economic value to the province?" Quantify the changes; contain sunset provisions for legislation. Adopting this type of approach will require significant adjustment in government policy development. Now is the time to take up the challenge to create jobs.

On behalf of the Retail Council of Canada, I thank you for your time. With less than 351 days until Christmas, RCC asks that you please remember to shop each and every day at your local retailer. It is never too early to start. The jobs you support and save may be of friends and family members. The Ontario economy will thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Very good. Thank you very much, Gary: a great presentation.

Who would like to ask the first question? Vic? Go ahead.

**Mr. Victor Fedeli:** How is our time?

**The Chair (Mr. Kevin Daniel Flynn):** You guys have six minutes exactly.

**Mr. Victor Fedeli:** Gary, thank you very much for your presentation. It's funny you mentioned Christmas. My first question to you was, what was the season like here, first of all throughout Canada, and specifically in Ontario?

**Mr. Gary Rygus:** Christmas season was soft. I think that retailers were struggling to make a go of it. If it's any indication south of the border, they won't be as good as last year.

**Mr. Victor Fedeli:** You talked about 810,000 jobs, \$165 billion in sales. Give me a picture of Ontario versus the rest of Canada, if you can—in about a minute, Gary.

**Mr. Gary Rygus:** In terms of how we are doing, ranked, we're probably number six or seven in sales growth for the year for 2013.

**Mr. Victor Fedeli:** Out of 10 or 11 or 12, I guess?

**Mr. Gary Rygus:** Out of 10 provinces. Saskatchewan would be number one, with roughly 6%, Alberta with 3%, and then Newfoundland with 3% or 3.5%. We're in the laggard category, as I indicated earlier in my discussions.

For retailers to be able to grow and add jobs into the economy, we need something close to 3% to 3.5% in terms of growth, and we haven't had that in the last three years.

**Mr. Victor Fedeli:** You talked about how government's role should be to improve the conditions, and then you segued about three or four minutes later into the revenue tools.

You obviously know where I'm going with this: the gas tax hike, the HST hike and the corporate tax hike. Give us your thoughts on the effect on retailers of those three hikes.

**Mr. Gary Rygus:** I think we operate in a very—

**Mr. Victor Fedeli:** I didn't say "devastating" effect. I was good. I was polite.

**Mr. Gary Rygus:** We operate in a very competitive environment. If retailers don't get it right in retailer A, the consumer can go to B through Z, and if that isn't appropriate, then Internet sales and cross-border shopping are always avenues left open to consumers today. It's a very competitive market.

What we have to be able to do as retailers is to get product to the marketplace at the right time, at the right price. It's a many-faceted challenge that we have. We understand that the infrastructure situation in Canada, not just Ontario, is at risk in some very important cities, such as Vancouver, Montreal, Toronto, even Halifax, and money has to be reallocated, if you will, to those important priorities. We're not convinced that all that money has to be generated in terms of new funding. We strongly believe that there needs to be a review of existing expenditures or net revenue streams that are collected to see that they're efficiently utilized.

**Mr. Victor Fedeli:** It would be no shock to you, I'm sure, that our party feels the same way. New taxes—we would go so far as to call them job killers. I know you've talked about a nervous economy, and you called Ontario the laggard—and that new taxes should be a last resort. Is there anything of that—I am I mischaracterizing anything?

**Mr. Gary Rygus:** No, I think you pretty well characterized what I said.

**Mr. Victor Fedeli:** Okay. So if the government should support job creation, what would you suggest that the government do to assist the retail side of job creation, then—the one thing that we could do?

**Mr. Gary Rygus:** The one thing that you could do? I think part of the challenge that businesses face on a day-to-day basis is administrative bureaucracy burden, if you will. I think that we still continue to see legislation that adds to that level of bureaucracy and burden.

I would suggest that Bill 91 is a classic example. We firmly believe the role of government is to set policy and to set targets for certain things, in the case of the Waste Reduction Act, as opposed to fully prescribing, to the nth degree, how to go about doing something. If business is supposed to be accountable for the way things are done on the waste side, then allow them to achieve those items and targets. At the end of the year or a set-out time frame, then hold them accountable and provide enforce-

ment provisions if, in fact, things haven't gone according to plan. But to tell us to do everything to the nth degree is a challenge at best. It adds costs, at the end of the day, on products, which we have to pass on to consumers.

**Mr. Victor Fedeli:** I haven't heard you talk about energy prices, and I'm not sure how much of input costs energy rates have on the retail sector. Can you weigh in on that one quickly?

**Mr. Gary Rygus:** As far as hydro is concerned, hydro is a large piece of our operating expenditures because we do have to operate, and we can't always be in daylight. Some of our members operate 24/7, so we need to be able to have reasonably priced energy to be able to make that happen because we don't want to have any health and safety issues along the way. The fact that energy prices are going up 30% to 40% over the next few years is going to be a significant challenge facing us.

**Mr. Victor Fedeli:** So if I stood and spoke in the Legislature, would you recommend I continue to talk about lower taxes, lower energy rates and less red tape? Are those the three issues that I've heard from you?

**Mr. Gary Rygus:** For us, it's all about competitiveness. We need to be competitive, and if we can't be competitive, we're not going to increase our sales; they're going to go in the other direction.

**Mr. Victor Fedeli:** Thank you, Chair.

**Mr. Gary Rygus:** Thanks very much for the time.

**The Chair (Mr. Kevin Daniel Flynn):** Thanks for coming, Gary.

**Mr. Gary Rygus:** You're welcome.

#### ONTARIO NURSES' ASSOCIATION

**The Chair (Mr. Kevin Daniel Flynn):** Okay, our next delegation this afternoon is the Ontario Nurses' Association: Jo Anne, if you'd like to come forward. Like everybody else, you get 15 minutes. Use that any way you see fit. If you want to leave a little bit of time at the end, the questions this time will come from the NDP. Welcome to the committee.

**Ms. Jo Anne Shannon:** Thank you. Good afternoon. I'm Jo Anne Shannon, a registered nurse and a professional practice specialist at the Ontario Nurses' Association, or ONA. My background in nursing includes 25 years as an RN in the intensive care unit at the Greater Niagara General site of the Niagara Health System in Niagara Falls.

As part of my responsibilities at ONA, I am the lead on a number of our independent assessment committee hearings, where front-line RNs identify continuing professional practice and workload concerns affecting patient care in their hospital. Most of these hearings are underpinned by staffing decisions made by administrators in response to funding pressures rather than evidence-based best practice. I just completed such a hearing last week at the Rouge Valley Health System, in Scarborough.

ONA is Canada's largest nursing union, representing 60,000 registered nurses and allied health professionals

as well as more than 14,000 nursing student affiliates, providing quality care each and every day in hospitals, long-term-care facilities, public health units, community clinics and industry.

Registered nurses are extremely concerned about the extent of understaffing that exists in Ontario hospitals, long-term-care homes and in the community and the resulting impact on quality care for our patients, residents and clients. In the Hamilton and Niagara region, registered nurses have identified significant challenges to the delivery of safe and quality patient care as a result of ongoing restructuring of clinical services and the implementation of staffing mix models that would replace RN care with less-qualified staffing.

First, let me give you the basic facts on the extent of RN understaffing in Ontario. The ratio of RNs to 1,000 Ontarians is the second-lowest in Canada. Ontario has seven RNs per 1,000 population, compared to 8.3 RNs per 1,000 population in the rest of Canada. The difference creates a significant gap in RN care in Ontario. In fact, it means we need a funded plan of action to hire more than 17,500 RNs in Ontario just to catch up with the rest of the country.

1450

This afternoon, I want to focus my remarks on the dire need for more registered nurses in our hospitals to meet the increased care needs of our complex and unstable patients, as patients with alternate-level-of-care needs are increasingly moved to the community sector. There can be no further argument about the need for more RNs in our hospitals.

When you talk directly to Ontarians, they see the lack of enough registered nurses every time they seek care in an emergency room, recover after surgery or for other treatments and testing. Make no mistake about it, the state of RN staffing in our hospitals is firmly on the minds of many Ontarians and is becoming a serious point of conversation in many communities.

There's extensive literature on the relationship between higher RN staffing levels in hospitals and improved quality-of-care outcomes for our patients. Conversely, decreasing RN staffing has a negative impact on patient health outcomes.

Unfortunately, RN staffing levels in Ontario hospitals have not kept pace with the increasing complexity of patient care and are not keeping patients or nurses safe. From the research literature, we know that higher levels of RN staffing in hospitals are essential for patients with complex and unpredictable conditions. Research clearly shows that adding one patient to a nurse's average caseload in acute-care hospitals is associated with a 7% increase in complications and a 7% increase in patient mortality.

RN staffing is associated with a range of better patient health outcomes: reduced hospital-based mortality, hospital-acquired pneumonia, unplanned extubations, failure to rescue, nosocomial bloodstream infections and length of stay.

In Ontario, however, two years of frozen base funding for hospitals has resulted in the elimination of millions of

hours of RN care—millions. In one year alone, from 2012 to 2013, more than 1.5 million hours of RN care were cut from Ontario's health care system, completely ignoring the vast evidence linking RN care to improved patient health outcomes.

One seminal study balanced the cost of increased nurse staffing in hospitals with the associated cost savings that might be achieved by reducing adverse outcomes and reducing length of hospital stay and avoiding patient deaths. They concluded that raising the proportion of nursing hours given by RNs resulted in improved patient outcomes and reduced the costs associated with longer hospital stays and adverse outcomes compared to other options for hospital patient care staffing.

A further study has shown that improved patient care from additional RN staffing prevents nosocomial complications, mitigates complications through earlier intervention and detection and leads to more rapid patient recovery, which creates medical savings and shows the economic value of professional RN staffing, let alone the impact on saving patients' lives.

Ontarians want the government to make health care funding a high priority, to protect this funding envelope from cuts, and believe health care is government's most important service. Some 90% of Ontarians agree that reducing the number of nurses would really hurt the quality of the health care system.

ONA is calling on the government to fund a multi-year plan of action to hire and maintain RN positions in hospitals to make significant progress in reducing the RN-to-population ratio gap of more than 17,000 RNs between Ontario and the rest of Canada. A simple fact based on evidence is that the health outcomes for Ontarians in hospitals suffer when fewer RNs are part of the staffing mix to provide quality care. Patients are being put at risk.

Let me leave you with some examples from two recent independent assessment committee hearings, where front-line RNs had identified significant ongoing professional practice and workload concerns affecting the level of care in their specific hospital units. The independent assessment committee, or IAC, is a panel of three external nursing experts who conduct a hearing in a specific hospital setting to examine RN staffing levels and make recommendations. The panel hears evidence from front-line nurses about the negative impact on patient care caused by inadequate RN staffing levels and makes recommendations to resolve any issues that are identified.

Last week at Rouge Valley hospital, RNs in the post-acute-care unit, who have a professional obligation under their college standards to notify the hospital when they cannot provide safe patient care, indicated that the hospital had replaced half of the RNs and RPNs with unregulated care providers, leaving the nurse-to-patient ratios unsafe, unmanageable and dangerous for patients. Patients in the post-acute-care unit have complex medical issues, with multiple health conditions that require the broad scope of practice, skills and experience that RNs

bring to the table. It appears that this type of staffing model, implemented to balance hospital budgets, has taken precedence at the expense of the care patients receive.

RNs consistently provide written documentation to hospital administrators to outline their inability to properly and safely provide patient care. The IAC is then tasked with determining whether nurses are being assigned more work than is consistent with proper patient care.

In an earlier IAC regarding staffing in the emergency room at the St. Catharines General Hospital site of the Niagara Health System, the IAC concluded that RNs had been asked to perform more work than is consistent with proper patient care because they had not been staffed with the appropriate level of RNs.

Hospitals are currently experimenting with alternative staffing models due to extreme budget cuts. But it is clear from these hearings that alternative staffing models cannot replicate the level, nature and complexity of care provided by RNs. The IAC recommendations verify what ONA has been saying for far too long: There simply are not enough RNs left in our hospitals.

As you know, the old hospital closed. And just this past April, a brand new, much larger hospital site opened in St. Catharines. Unfortunately, that hospital site is underfunded. The nurses working in the new site are now beginning again to consistently document serious practice and workload concerns since the first day the building opened—the first day.

The new site is underfunded and understaffed. In fact, along with a move to the new site, simultaneously, that same day, they cut the number of RN hours in most of the units, especially on the night shift. They were cut dramatically.

For example, the nurses working in the new hospital ER are unable to triage patients within the Canadian emergency department triage and acuity scale guidelines and are possibly heading for the first time that an independent assessment committee hearing has occurred in Ontario for the second time in the same unit, with the same nurses looking after the same patients. It's going to happen for the second time, because it's so badly understaffed.

In addition, just this week, ONA received layoff notices for more RN cuts in the surgical in-patient unit. Again, they're cutting RNs and replacing us with lesser-qualified staff.

So they're replacing RNs with RPNS. The problem is this: The patients in this unit are complex. Our College of Nurses, which governs our practice, has stated that RPNS can only care for complex patients if there are sufficient RNs available to consult and collaborate with. As a result of this new model of care, there won't be. So there will not be enough RNs left to consult and collaborate with the RPNS, who will be given more, and it's just simply unsafe.

Nurses working at the Niagara Health System are caught in the middle between hospital administrators and

government decision-makers. They're the pawns in the middle. They're working within nurse-patient ratios and working conditions that are unsafe, unmanageable and dangerous. And they're, most importantly, experiencing significant ethical and moral distress as they work within untenable conditions that place patients at risk. It's time for the Ontario government to step up for hospital patients.

Immediate changes to the funding model for hospitals are necessary and essential to properly staff and meet the care of our acute patients. Our recommendation for government to invest in our hospitals and in RN care to meet the care needs of Ontarians is submitted with the goal of refocusing government on its key initiative: to restore RN care levels in our hospitals as a top priority. Our patients deserve no less than patients across the country. Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much for your presentation, Jo Anne.

The questioning, this time, comes from the NDP. Catherine or Michael?

**Mr. Michael Prue:** How much do we have?

**The Chair (Mr. Kevin Daniel Flynn):** Four minutes.

**Ms. Catherine Fife:** Thank you very much, Chair. Thank you, Jo Anne, for coming out today. You mentioned you're from Niagara. I suspect Niagara is going to be getting a little bit more attention than it normally has in the next couple of weeks. So your timing is good. Thank you very much for the presentation.

We've been, just like you—and I'm really happy that you did a cost analysis, because the argument that's going to come back to you is, "We can't afford to invest in RNs in our hospitals." I think that making a sound financial case, that there's a cost to not providing a certain level of quality care, is the direction that we need to be going in.

You mentioned, though, in some of the tracking of your workplaces, that RNs are being replaced by unregulated providers. Can you give us some sense of who those people are and then connect it to the safety issue, if you will?

**Ms. Jo Anne Shannon:** They are unregulated. The names vary. Because there is no regulation, there is no protected title. So they're called PSWs—personal support workers—health care aides, assistants. But they are unregulated, so there are no standards for care. Their education varies from—again, there's no standard. So it can be on-the-job training; they can be trained on the job.

I know that at Rouge Valley Health System what happened was, because of the collective agreement with the service union, they actually trained dietary staff, housekeepers and porters to become personal care assistants, and they were tasked with providing hands-on patient care to patients.

1500

**Ms. Catherine Fife:** So you see a place for those people in the health care system, but you have concerns around when they're working with patients and what the ratio is and training, right?

**Ms. Jo Anne Shannon:** What the evidence in this hearing showed is the fact that these PSWs did not have adequate supervision by the RNs and RPNs. They were basically going off on their own to provide hands-on care, and the remaining numbers of RNs and RPNs were simply inadequate to provide that supervision.

**Ms. Catherine Fife:** Okay, thank you.

**Mr. Michael Prue:** You mentioned the number, at the beginning of your presentation, of 17,500 new nurses to bring us up to par with the rest of the country.

**Ms. Jo Anne Shannon:** Yes.

**Mr. Michael Prue:** What kind of costs are we looking at? I ask that because this is the finance committee.

**Ms. Jo Anne Shannon:** Actually, I think I'm at a disadvantage.

**Mr. Michael Prue:** In my head, I figured somewhere in excess of \$1 billion.

**Ms. Jo Anne Shannon:** I'm sorry. I'm embarrassed. I can't answer that.

**Mr. Michael Prue:** Okay. Whatever that figure is, where do you propose getting it from? The government is presently running an \$11-billion deficit. There are only two things we can do, really, if we are to provide more nurses: to find it from some other government agency or within the hospitals or from within the health system itself—or raise taxes. What are you suggesting?

**Ms. Jo Anne Shannon:** I'm suggesting that they take a look at who's doing what in hospitals. I've been a nurse a long time. Since I have become a nurse—and in fact, since Niagara Health System merged—we have many more layers of administration than we used to have before. It is very top-heavy and they're highly paid, as you're well aware. Certainly, using NHS as an example, there used to be a small administrative body in each site, and now there's them plus two more layers plus the senior layer. It's just very top-heavy. I think that the health care system can release dollars if it's looked at and if we prioritize RN care and look at where else money is being spent.

**Mr. Michael Prue:** Okay.

**Ms. Jo Anne Shannon:** But funding increases will be needed, to be clear.

**Mr. Michael Prue:** I believe it was last year, although it might have been the year before: We had the RNs coming and saying that part of the way the money could be saved is by getting rid of the CCACs. I don't know that you remember part of that argument—

**Ms. Jo Anne Shannon:** I don't believe that was us.

**Mr. Michael Prue:** —the LHIN argument.

**Ms. Jo Anne Shannon:** I don't believe that was us.

**Mr. Michael Prue:** Okay, it could've been the RPNs; I'm not sure who it was.

**Ms. Jo Anne Shannon:** It wasn't us.

**Mr. Michael Prue:** Somebody came and said that. Is that something that we should consider? If you need to get rid of levels of bureaucracy—I understand about hospital administrators at all levels, because they get a lot of money, some of those people. Is there any other part of

the health system that we're not getting good value for money that we'd get better value with nurses?

**Ms. Jo Anne Shannon:** We don't support the elimination of CCACs; we think that they're very necessary to protect our very vulnerable population that's being cared for in their homes. We think those nurses who are working in there are doing a valuable service and a good job.

Again, it's about looking for waste elsewhere, but there is going to be new funding needed to do this.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Jo Anne. Thank you very much for coming. Thank you for your presentation today.

#### WOODGREEN COMMUNITY SERVICES

**The Chair (Mr. Kevin Daniel Flynn):** If I can call forward the next delegation: WoodGreen Community Services, if you'd like to come up and set up.

**The Acting Chair (Mr. Bob Delaney):** Good afternoon. If you've been sitting in the audience for more than a few minutes, you'll know that you've got 15 minutes to do your presentation. You may wish to leave a little bit of room for question time, if you don't use the 15 minutes. At this point, the questions will come from the government side. So just introduce yourselves for Hansard and proceed.

**Mr. Brian Smith:** My name is Brian Smith. I'm the president and CEO of WoodGreen Community Services. I have Glen Herring, who's the chair of the board of Home Suite Hope, which is the local organization we're partnering with, and Peter—

**Mr. Peter Kolisnyk:** Kolisnyk.

**Mr. Brian Smith:** —Kolisnyk, sorry, who is the CEO of Home Suite Hope in Oakville.

Thank you very much for the opportunity to present to you today. WoodGreen's Homeward Bound program is a comprehensive fiscal investment for the province of Ontario. In our work on the front lines of homelessness, WoodGreen Community Services has witnessed firsthand the tragic plight of some of the over 1,000 mother-led families who are living in Toronto shelters each day. We have heard from other communities in Ontario who are facing the same issue.

With little in the way of education or employable skills, homeless single mothers find themselves and their children without any real options. The cycle of poverty is difficult to break, and these mothers, and eventually their children, often have no choice but to continue to rely on social assistance throughout their lives. However, there is a way to break this cycle of poverty for mother-led families. The solution is WoodGreen's Homeward Bound.

Piloted by WoodGreen in 2004 and unique in Canada, Homeward Bound is an award-winning, four-year program that helps homeless or inadequately housed single mothers to achieve lasting economic self-sufficiency and change their lives and their children's lives forever.

Throughout the four-year program, women and their children live at WoodGreen's 76-unit campus in afford-

able two- and three-bedroom furnished apartments and receive goal-oriented case management, on-site child care, after-school programs for children and youth, financial literacy education, parenting support, and psychotherapy and trauma counselling.

Graduates of the program who only a short time ago were living in shelters or precarious housing are now proud holders of college diplomas, have developed essential parenting and job-readiness skills, and are employed by some of Canada's finest corporations. Their children are thriving and excelling both socially and academically.

In order to help single mothers transition from living in poverty to earning family-sustaining salaries and becoming economically self-sufficient, Homeward Bound brings together all the resources that struggling single mothers need to permanently change their lives:

(1) Education and training in marketable skills: a full menu of career preparation education, including life skills, academic upgrading, employment preparation, computer skills training, and a college diploma—tuition paid by WoodGreen—geared to meet current demands in the labour market.

(2) Personal development support: individual support for each mother by trained caseworkers regarding conflict resolution, parenting skills, housing and tenancy issues, and financial literacy and planning.

(3) Housing and child care: rent-gearied-to-income housing for each family, free child care, a children's tutoring program, and an after-school and summer program to provide children with a stable and nurturing environment.

(4) A guaranteed job at the end of the program: The Homeward Bound Industry Council is a private sector partnership and is made up of senior-level human resource executives from all the major banks, major law firms and major IT corporations. Industry council member corporations provide Homeward Bound participants who have finished their college diploma requirements with four-month internships and job placements in career-track positions.

In 2013, WoodGreen partnered with the Boston Consulting Group to complete a pro bono social-return-on-investment analysis for the Homeward Bound program. BCG looked at the pre- and post-program socioeconomic status of the initial participant cohort. They found, based on the data, that for every dollar invested, the Homeward Bound program returned \$4 back to society. On average, \$180,000 of benefit is generated for every woman enrolled. Homeward Bound program graduates who get a college degree and become fully independent generate \$295,000 of cumulative benefit to society; in net present value, \$176,000. Homeward Bound success rates have continued to improve over the past five years. This will increase the future social return on investment.

Since 2004, 176 women with 216 children have lived at Homeward Bound. The future cumulative societal benefit of Homeward Bound's first cohort of participants is estimated at \$10.3 million.

Homeward Bound is supported by private and public sector partners, with significant seed investment from Ed and Fran Clark, TD Canada Trust, the Counselling Foundation of Canada, and many more private donors that have contributed \$5,443,392 in capital donations and \$3,786,782 in operating donations, for a remarkable total of \$9,230,174. These private donors believe that lives can be changed and mother-led families can escape from the cycle of poverty. These donors have invested in the research and development of the Homeward Bound model, removing risk and documenting financial returns.

#### 1510

However, philanthropy alone cannot sustain the program or cover the cost of replicating the model in other urban communities. The province's support is necessary. WoodGreen is now beginning to replicate Homeward Bound. The first program replication will be launched in Oakville—Halton—in September 2014, led by our local partner, Home Suite Hope.

A second Homeward Bound replication is also being developed in Peterborough, led by the Peterborough Housing Corporation as our local partner. Local municipalities, colleges, employers and other service providers are also collaborative partners in these replications.

WoodGreen's vision for the future: Homeward Bound is an evidence-based program and has a success rate of 80% for its graduates and current participants. Now, it is time to reach out to the many more families in desperate need of this transitional support, and move from the first 10-year pilot to a fully replicable model for systemic change.

Homeward Bound is a powerful and economically feasible model of poverty reduction through effective employment training that could be used across Ontario. As Homeward Bound expands its reach and undertakes research and development around applying the model on a large scale, WoodGreen Community Services is respectfully asking for funding of \$1.9 million per year for operating costs of the Homeward Bound program.

The program works. The results are proven. Let's work together to give single-mother-led families the chance to change their lives and their children's lives forever. Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Wonderful. Thank you very much. The questions—you've left about five minutes for them—are coming from the government side. Who would like to ask first? Donna?

**Mrs. Donna H. Cansfield:** Thank you very much. Thank you for your presentation. I'm quite familiar with your work, and kudos for the work that you do do. It sounds very familiar to Beatrice House. Are you familiar with Beatrice House?

**Mr. Brian Smith:** I know that's run by the YW, yes. This is a much more comprehensive program than the Beatrice House program. There are some similarities but—

**Mrs. Donna H. Cansfield:** There are a lot of similarities. I was on the board of Beatrice House with Dr. Fraser Mustard, and the same fundamental principles that

you have incorporated are in Beatrice House, or they were originally in Beatrice House. I haven't been involved in the last number of years, but it was the same idea. It has the same apartments. It deals with children under the age of 12, primarily, and with their mothers. They have their own apartments. Their services are there. The child care is there. The counselling is there. The school is there next door. I mean, it's very, very similar.

It's similar. There are obviously some differences, but there must be some lessons learned as well because your pilot is a small pilot and Beatrice House has been going now for 10 years easily, if not more, because I've been a member for my 11th year. It was before I was still on the school board—when I was on that board. Have you spoken with them about what has worked and what has not worked?

**Mr. Brian Smith:** Well, I know Heather McGregor, who is the CEO of the YW, quite well. She had been a person I worked with for some time prior to our current positions. But I know that program. I think the difference relates in—the focus of the Homeward Bound program is really on employment and having career-sustaining jobs at the end. I think one of the critical success factors of our program is the industry council headed up by HR professionals across major corporations like all the banks, major law firms and IT. That is something that we, in doing our research back in early 2000, because it took us a number of years to put the program together—it was a program that was actually in Ireland called Fast Track into Information Technology, which was developed for long-term unemployed individuals in Ireland. We used some of their ideas, so we did extensive research, including focus groups with women in shelters, to find out what is a way that we can help them transition to being self-sustained.

We set a target of roughly \$40,000 as the salary that we wanted each of the women to be able to achieve in order to be successful and be able to care for their family without being dependent on government or social assistance. That, I think, is the major difference: not just the care on the housing and child care side—all that is important, but really the focus is on having people get self-sustaining jobs so that they can provide for their families.

**Mrs. Donna H. Cansfield:** Well, to me it sounds very similar in terms of the objectives. I know that part of the challenge was having the support services in place, because obviously there are other issues when individuals are leading homeless lives. That was an important component, because you can't take someone off to school until you deal with some of the other issues that they have to deal with.

**Mr. Brian Smith:** Well, we've gone through—obviously, not everybody. We direct and get individual women who have other challenges. There are many health challenges to their children or themselves, or their former relationships that they're still working through. Many women have suffered trauma from abuse, and a lot of those issues need to be dealt with, because you can't

focus on your educational and employment goals. So, we make sure that the women deal with those before they enter our program, because we don't want to set women up for failure.

**Mrs. Donna H. Cansfield:** I couldn't disagree with you. That's absolutely true. It was exactly, as I said, the same fundamental principles.

I'm interested in Halton's experience. How long has the Halton program been up and going?

**Mr. Brian Smith:** I'll let Peter or Glen—

**Mr. Glen Herring:** The program in Halton is called Home Suite Hope, and tomorrow is our 10th anniversary.

**Mrs. Donna H. Cansfield:** Wonderful.

**Mr. Glen Herring:** We're basically doing what you described at Beatrice House. We are giving people support for up to two years. It's single-parent families. Currently, we have 11 families within our care, and we work with them on the issues that caused homelessness. Why we're interested in Homeward Bound is really because of the educational component and the employment likelihood through an industry council at the end, which we basically see as taking them out of poverty for generations to come.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much for coming today.

**Mr. Brian Smith:** Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Good to see you all again.

#### ONTARIO CONVENIENCE STORES ASSOCIATION

**The Chair (Mr. Kevin Daniel Flynn):** Dave, it's your turn. Dave Bryans from the Ontario Convenience Stores Association, welcome. Make yourself comfortable. You have 15 minutes; use it in any way you see fit. If there are any questions, they'll come from the Conservative Party.

**Mr. Dave Bryans:** Okay. First off, thank you for coming to Oakville, my hometown, rather than racing downtown, for a change.

The Ontario Convenience Stores Association is pleased to submit for review its consultation document in advance of the Ontario 2014 budget. For the last 10 years, the OCSA has been advocating the concerns of Ontario's convenience store sector at Queen's Park. We believe our industry can be a strong partner for the provincial government as it looks to implementing things like an anti-obesity strategy, future tobacco cessation initiatives—

*Interjections.*

**The Chair (Mr. Kevin Daniel Flynn):** Dave, could you hang on a second?

Guys, could you take it outside? Michael?

*Interjections.*

**The Chair (Mr. Kevin Daniel Flynn):** He was listening loud. It's hard. I know how it feels to sit there.

**Mr. Dave Bryans:** No, it's okay. I've watched question period.

**The Chair (Mr. Kevin Daniel Flynn):** Go ahead, Dave.

**Mr. Dave Bryans:** Okay. Sorry.

**The Chair (Mr. Kevin Daniel Flynn):** Go ahead. Not a problem.

**Mr. Dave Bryans:** We believe our industry can be a strong partner with the provincial government as it looks to implementing things like an anti-obesity strategy, future tobacco cessation initiatives and other public education programs.

In brief, we have 5 recommendations for the government. Each recommendation is intended to provide the government with an actionable directive that could be implemented this year.

(1) Draft and initiate a comprehensive consultation process that engages all stakeholders to understand the best way to modernize Ontario's alcohol retailing system.

1520

(2) Pilot an expansion of the LCBO agency model.

(3) Act on the commitments made in the 2012 and 2013 Ontario budgets on contraband tobacco, including more power for law enforcement and immediate commencement of a consultation process. This also includes maintaining the current tax rate on tobacco products.

(4) Commit to investing in the OCSA's We Expect ID age verification training program over the next two or three years, and develop a government certification program that would mandate all retailers of tobacco products and lottery gaming to undergo comprehensive training. This program would be administered by the OCSA and the Ontario government and would echo the Smart Serve program.

The OCSA is a not-for-profit industry association funded by its 7,500 members. Members include the majority of chain convenience stores, oil companies, small independent convenience store owners, and other key suppliers to the industry.

The Ontario convenience store sector employs over 60,000 people and accounts for approximately \$12.5 billion in sales each year. Nationally, this sector pays out more than \$2 billion in wages to convenience store employees.

Our stores are present in every city, town and village in Ontario and interact with over three million customers every day.

The alcohol retailing system in Ontario today is, at its core, the same one that was created by the Ontario government 85 years ago. The legislation that created the government-run LCBO and now the foreign-owned Beer Stores was passed in 1927, but while the rest of Canada and jurisdictions around this province have modernized their alcohol retailing system, Ontario's remains a relic of the past.

For some time, Ontarians have been saying that our province should move forward and broaden the retailing system. We believe that now is the time to have that discussion with everyone.

An economic study that was sponsored by the OCSA but independently conducted by the faculty of the Uni-

versity of Waterloo shows that, were Ontario to expand the current retailing system beyond the LCBO, Beer Stores and other private retailers, it would not only preserve the \$1.7-billion profit that the LCBO returns to the government but would increase it. This is because Ontario earns most of its profit from the LCBO from its role as the province's wholesaler of alcohol, not retailer. The OCSA is suggesting that this be expanded.

The opportunity for the Ontario government in expanding the retail network for alcohol products has the potential to directly benefit provincial revenues. We believe one way of doing this would be through the LCBO's agency store program. This program authorizes independent local retailers, including many convenience stores, to sell beverage alcohol in conjunction with other goods. Expanding that agency model program would not only increase provincial revenues but do so without any capital costs to the province.

This is only one option to achieve this goal, and the OCSA would be very interested in bringing our expertise in alcohol retailing to a discussion on any of these types of scenarios.

Let's turn to contraband tobacco. Our retailers firmly believe that no minor should have access to any tobacco products. However, contraband products are sold without age verification checks, making them far more accessible to young people, to whom they are sold without any mandated health warnings.

Contraband products are also not subject to all levels of taxation, resulting in millions of dollars in lost revenue to this province.

The 2012 Drummond report noted the province could gain an additional \$2 billion in revenue by taking action on the underground economies, such as contraband tobacco.

For convenience stores, contraband indirectly impacts retailers' sale of other products such as groceries, lottery etc., and, sadly, many stores have been forced to close their doors due to the impact of contraband tobacco.

A November 2013 study conducted by the OCSA examining 130 sites from across the province found that the average use of contraband tobacco products across the province sits at around 21%. However, rates of contraband use at high schools and hospitals were absolutely alarming. As an example, Eastwood Collegiate Institute in Kitchener, 40%; Pauline Johnson Collegiate and Vocational School in Brantford, 39%; F.J. Brennan Catholic High School in Windsor, 37.8%; Kipling Collegiate Institute in Toronto, 30%; and Hôtel-Dieu Grace Hospital in Windsor, where I'm from, a shocking 46%.

The provincial government made commitments to address the illegal industry through increased power for law enforcement in the last two provincial budgets, but since that time, 80 municipalities, representing 90% of the Ontario population, have passed resolutions asking the government to follow through on the budget commitments to address contraband tobacco.

Tax increases on the legal tobacco market have an unintended consequence of worsening the illegal contra-

band market. We ask that you consider tax proposals carefully to avoid this from occurring again. As this is a multi-jurisdictional issue, we also ask that you speak to your counterparts in Ottawa to tell them that a move to increase the federal excise tax would be detrimental to the Ontario government's commitment to fighting contraband.

Here's what we'd like the government to do:

(1) That the Ontario government follow through on its commitments to address the illegal tobacco trade made in the last two provincial budgets, including a consultation of stakeholders.

(2) That the Ontario government maintain the current rates of taxation on tobacco products so there is no increased incentive for the illegal market.

(3) That the Ontario government follow through on the consumer education initiative to explain the impact of contraband tobacco to everyone in Ontario.

(4) As small family-run stores are hurting, we ask that this committee encourage action on contraband tobacco in 2014.

Now let's turn our focus to We Expect ID, or age verification.

The Ontario Convenience Stores Association is requesting an opportunity to partner with the Ontario government to develop and distribute a comprehensive training program that will allow convenience stores to build on our existing age certification training in enhancing the training for every retailer subject to provincial oversights in the sale of age-restricted products. The OCSA wishes to partner with the government in training specifically in three areas: investing to fund the OCSA's We Expect ID program over the next two or three years; developing a separate government-led age verification program; and mandating that all retailers of tobacco and age-restricted products, and their employees, be certified to handle them.

Our industry has a goal of zero sales of age-restricted products to minors. To achieve that, in March 2007, the OCSA launched the most comprehensive system for age verification in Canada, called We Expect ID. We Expect ID offers training materials, including videos, presentations, curriculums and an evaluation and testing mechanism in three separate languages—English, French and Korean—for over 8,000 convenience stores in this province. No government funding has ever been used for this initiative. We are asking that a very small portion of the tax revenues that are realized from the reduction in the contraband tobacco market, which is estimated at \$375 million in 2012, be invested in helping to ensure that Ontario's regulation of tobacco products also includes an enhanced training program. A proposal to this effect has been made to and discussed with the Ministry of Health and Long-Term Care. However, as a long-term strategy, the OCSA feels that all Ontario retailers, public and private, as well as the government and public, could benefit from a comprehensive government-administered age verification program similar to the existing Smart Serve program that we see in Ontario.

In conclusion, the Ontario convenience store sector is at a critical juncture in its history. Being a part of the dialogue and the issues we've highlighted is key, and the OCSA hopes that serious consultation will take place and that our industry will have a key role to play in these deliberations.

The OCSA wishes to thank the committee for its attention to these recommendations as it continues to work towards compiling your successful 2014 budget document. Should staff or any other officials wish to discuss these issues further, the OCSA is always available and happy to accommodate.

Thank you for your time.

**The Chair (Mr. Kevin Daniel Flynn):** Very good, Dave. Thank you very much for the presentation.

The Conservative side: four minutes.

**Mr. Victor Fedeli:** Four minutes? So let's split it in two.

Dave, I want to go to the contraband tobacco first. You spoke of some alarming numbers from the November surveys that were done, and I know my hometown, North Bay, was on the list as well. I, too, must tell you how shocked I was at both the Chippewa high school, Scollard Hall high school and the North Bay hospital—the percentage of contraband tobacco. Can you tell everybody—because this shocked me when I learned this—how you do this, how you calculate that number?

**Mr. Dave Bryans:** We actually hire a company called NIRIC that goes out and scouts out the sites every day. We did casinos; we did hospitals. We did where people congregate—malls. They look and see where a smoker smokes that day, because we have smoking sections and you're relegated—especially in hospitals, it's easier, and casinos. You're relegated to certain areas. They sweep those butts, take them back and analyze each and every one of them. It's the dirtiest job in the world. I did it once about five years ago and I'll never do it again. Then they categorize them.

Of course, with a domestic-made cigarette where tax is collected, the name is on the barrel. Anything made on an aboriginal reserve, whether it be New York state or Ontario, usually has no markings at all, and we have to assume it's cheap, unregulated tobacco and the government has no benefit. So that's how we do that.

1530

**Mr. Victor Fedeli:** So you sweep these things up into a green garbage bag—

**Mr. Dave Bryans:** Little bags; no, no.

**Mr. Victor Fedeli:** They won't be so little at the hospital.

**Mr. Dave Bryans:** No, they were in the casinos. It's actually shocking. Where people congregated, it was absolutely shocking, some of them, like that hospital in Windsor.

**Mr. Victor Fedeli:** So it's not a guesstimate. This is a very serious—

**Mr. Dave Bryans:** It's not scientific because, first off, illegal deliverers to your community don't admit they're doing it, and people who buy contraband don't really come out and tell you they're carrying it. That is really

the most unscientific study. We've done it three times and we haven't seen any improvement. That's the sad part.

**Mr. Victor Fedeli:** Unscientific but incredibly accurate and very telling—to find so many of the non-branded cigarettes being found not only at schools but so far into the heart of a community, if you will.

**Mr. Dave Bryans:** We're actually seeing more and more of it in urban Ontario. At one time it was more of a rural issue, closer to reserves, easier delivery. We're seeing it now in Toronto, we're seeing it at Casino Niagara. We're swamped with both of the casinos—and hospitals in Windsor, which is probably the furthest from any reserve—three hours, I think, from First Nations or Six Nations—and you're seeing high schools in Windsor just infiltrated. It just shows you there's a very well-organized underground economy in a product that has no advertising or promotion.

**Mr. Victor Fedeli:** So how much tax revenue would the province of Ontario be losing from that?

**Mr. Dave Bryans:** The Auditor General estimated two years ago about \$500 million. There was a study that came out just this week from the Canadian Taxpayers Federation that said it's \$1 billion.

**Mr. Victor Fedeli:** One billion dollars?

**Mr. Dave Bryans:** Yes. That could just be recouped by working together on how we can fix it.

**Mr. Victor Fedeli:** And that's only tobacco. What about gasoline? Is there a number on that?

**Mr. Dave Bryans:** It's interesting, because we've had this discussion. It's getting worse. This province loses all the HST on gas being delivered to every reserve. So Ontarians are getting smart and they're lining up outside of North Bay, outside of Thunder Bay, at all the reserves, and filling up. On top of that, the government loses a lot of the 14.9% as well.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you. You're pretty well out. Oh, no, you've still got a minute.

**Mr. Victor Fedeli:** Okay. I'm not going to get to the LCBO because I'm still on this. Is it legal or illegal—or what can you describe?—purchasing or consuming tobacco and gasoline? For my in-laws; I'd like to know for their sake.

**Mr. Dave Bryans:** I'd never want to pick on your in-laws—

**Mr. Victor Fedeli:** Oh, I do.

**Mr. Dave Bryans:** —or Ma and Pa Kettle—

**Mr. Victor Fedeli:** Especially my father-in-law. My mother-in-law, she's an innocent one in all this.

**Mr. Dave Bryans:** All I'd like to say is that it's not those people going to the reserve. If you want to buy two cartons, drive all the way to Brantford, hats off to you.

**Mr. Victor Fedeli:** But what's legal and illegal?

**Mr. Dave Bryans:** It's all illegal.

**Mr. Victor Fedeli:** I don't know that we as a society understand that.

**Mr. Dave Bryans:** Everyone who fills their car with gas is obligated to pay Ontario tax and federal tax. Everyone who buys cigarettes is obligated to pay provincial

tobacco tax and HST. There is no exception under the tax act—only for aboriginals, if they consume it on their own reserves. It's become quite a lucrative business. I know it's a very difficult topic for everyone in this room, including myself, but I'll continue to sing and help all of you fix it, if we can.

**The Chair (Mr. Kevin Daniel Flynn):** Very good. Thank you very much for coming today.

**Mr. Dave Bryans:** Thank you very much. I appreciate it.

**The Chair (Mr. Kevin Daniel Flynn):** Thanks for your presentation.

#### MR. CHRIS WEST

**The Chair (Mr. Kevin Daniel Flynn):** Our next presenter this afternoon is Chris West. Chris, if you'd like to come forward. Make yourself comfortable. Do you have a handout for us?

**Mr. Chris West:** I do, yes.

**The Chair (Mr. Kevin Daniel Flynn):** We have it already. Great. You have 15 minutes, like everybody else. Use that any way you see fit, and if there's any time left over for questions, it will go to the NDP.

**Mr. Chris West:** Thank you very much. My name is Chris West—from Downtown Pontiac Buick, a GM dealer in St. Marys, Ontario, and AllRoads Dodge Chrysler, a Chrysler dealer in St. Marys, Ontario.

One of our previous members of provincial Parliament was John Wilkinson. I'll always remember what he said, that jobs were the most important thing to an individual. That's one of the things I want to talk about today.

I'd like to talk about St. Marys from the time I got there in 1983 to sort of demonstrate what I feel is important going forward. In 1983, when we set up the dealership in St. Marys, the Downtown Pontiac dealership, most of the young people were leaving town. There were no jobs for them. Many years later, the young people are staying. You see the buggies going up and down the street and young children walking with their parents. The reason for that is St. Marys has been able to develop a tremendous increase in the job market, probably doubling the number of jobs since 1983. There are more people coming into town to work than are leaving town to go outside and work, which is unusual for a small town of about 10,300 people.

St. Marys is supported by four pillars, the way that we see it. One is the agriculture pillar. Within 100 kilometres of St. Marys produces 50% of the agriculture products of Ontario. Another pillar is the tourism pillar, which has improved considerably with the Stratford Festival. A lot of people will stay in St. Marys, shop in St. Marys and visit the Canadian Baseball Hall of Fame in St. Marys. Another pillar, as many communities have, is the retail pillar. The other pillar is the manufacturing pillar, and we've been very fortunate with some major employers. St. Marys Cement, of course, is one of the most well-known employers. We have the advantage of Heinz. Echo-Tech is a manufacturing plant, and Maple Leaf

Foods. Four of the major employers are currently hiring. We have a new tire plant that is supposed to open in March of this year; it will employ about 340 people, and I expect it to go to 1,000 employment.

Important to the growth in St. Marys is the supporting mechanisms. Two of those very important mechanisms are Via Rail service—because the economy grows along rail and transport lines—and a hospital that is very efficient; it was built after the Second World War. It's a memorial hospital that was built in recognition of the veterans from World War II. Via Rail has been very, very important to the success of St. Marys. The hospital has been very important to the success of St. Marys. We interview new people moving to St. Marys; those are two factors that are regularly brought up. The reason they moved to St. Marys is because there was a hospital, or they moved to St. Marys because they saw it as progressive. The Via Rail station, which by the way, is owned and run by the town of St. Marys, was also considered as a very progressive measure.

Via Rail, I believe, is very, very important to the communities across Ontario. I think it's very important to link rural communities to some of the major cities. Some 50% of the population of Ontario is rural. We need to connect to Toronto. We need to connect to London. The reason we need to connect is for a hospital; we need to get to those big hospitals in Toronto and London when we've got a major emergency that we can't handle at St. Marys or our small towns. People want to visit relatives; the social aspect is important. People are going to meetings and jobs. There's a tremendous number of tourists coming to Canada that need to get from A to B. We need to be able to connect our communities.

Earlier, Jo Anne Shannon spoke about the importance of health care. The question was asked, where can we get the money? I think there are two areas that are fairly apparent to me. My sister, who lives in West Palm Beach, Florida, on a visit four or five years ago, broke her leg. She was in the hospital for two or three hours, four or five people looked after her, and I was amazed that the bill was less than \$1,000. To me, there's an opportunity for us to charge more, not only to people from outside of Ontario but for people who are injured in motor vehicle accidents. Currently, there's a \$22-billion a year cost to the economy across Canada by motor vehicle accidents. Via Rail—putting more people on the rail would decrease the amount of people on the road. It would obviously improve congestion in our major cities and would improve the environment. I think that's one area where we can gain a little additional revenue.

There was a comment about bureaucracy. I think that's absolutely right on the money. Once you get beyond two or three levels, it just becomes a bureaucratic nightmare. One page of our document just shows some of the different bills that we have to operate under at our dealership. We have under 20 people—I think it's page 7. I picked about 15 different bills we've got to operate under. Not only do we look at bureaucracy from the government, we look at bureaucracy from our manufacturer.

General Motors and Chrysler add a lot of bureaucracy. We absolutely must reduce the bureaucracy.

We talked about the CCACs and the LHINs. To me that's just another level of bureaucracy we don't need. My friend Murray Borndahl in Ingersoll tells me that in Turkey you don't see any seniors' homes because seniors live with their children. We just have to change the way we look after seniors and the CCAC.

1540

In terms of job creation, water finds its own level. We have to be competitive not only with the US, but we have to be competitive with areas across the province. The energy situation in Ontario—we're at a disadvantage because some of the other provinces have lower costs. Water finds its own level. We risk the possibility of people moving and businesses moving to other provinces, and the same is true with taxes. Thank you very much.

**The Chair (Mr. Kevin Daniel Flynn):** Very good. Thank you, Chris, for your presentation. You've left about six minutes.

We're going to the NDP this time. Michael? Catherine?

**Mr. Michael Prue:** I was trying to read through this as quickly as I could while listening to you as well, and I counted 19 or 20 recommendations you've made.

**Mr. Chris West:** Yes.

**Mr. Michael Prue:** You're here as an individual, or is this part of your automotive group? Do you just do this yourself? I'm curious.

**Mr. Chris West:** I'm more interested in the future of the province than I am from an automotive perspective. I look at the province. We need to do well. As a young person, I was helped out by baseball coaches, by teachers, by peers, and it's time for us to do what we can to help Ontario move forward. So I would say it's not automotive-presented as much as—I'm very, very concerned about the province and what we can do for the province.

As automobile dealers, we make a tremendous contribution in our own marketplaces right across Canada. One time, I counted 30 different initiatives from our own dealership, a very small group, of things we were doing locally to support the community, which of course supports Ontario.

So it's obviously a wide-open thing; it's not strictly automotive.

**Mr. Michael Prue:** The automotive market appears to have rebounded quite well. Sales are anticipated being up this year. I ask you because you're in the industry. Can we anticipate that kind of continued growth in automobile production and sales in Ontario for this year?

**Mr. Chris West:** Yes, I think we can count on increased levels. Obviously, the big problem occurred in 2008 and 2009, and the governments of Canada and the United States made a good move in supporting the auto industry, protecting jobs and creating jobs down the road. So I think there's going to be good growth in the automobile business.

I think we do need to have a balanced transportation system. Even though as an automotive dealer—I support Via Rail because we've got to have a better balance. We've got to get more people on rail and less people on the roads. John DeLorean, who was an outstanding executive with Pontiac motor division 40 years ago, or 50 years ago, as part of his book, knew at the time that General Motors had to do something about the upcoming congestion. So I feel that from the automotive perspective, we need to do what we can do on all levels of transportation.

**Mr. Michael Prue:** You said that name "DeLorean." I still admire his car.

**Mr. Chris West:** Absolutely.

**Interjection:** You should get one.

**Mr. Michael Prue:** I wish.

Do you have questions?

**Ms. Catherine Fife:** Yes, thank you. Thank you very much, Chris, for coming in. You've made a number of recommendations, all of which are of interest to us. I would say actually, we've had mayors come and regional chairs, and your presentation is quite comprehensive. You clearly are a strong advocate for the region and obviously for the province.

I just want to say, the thing that is most timely, I think, and definitely a powerful message for me, being from Kitchener-Waterloo, is the transportation issue, especially around the expansion of Via. I just wanted to let you know that the city of Kitchener and Waterloo and the region have put forward a proposal to increase the level of two-way GO and transit from Kitchener-Waterloo and Toronto. It was presented yesterday. It may be of interest to you, because the idea obviously is to connect that rail line. You quite rightly point out that the province has to work more or put more pressure on the federal government around federal funding for transit, for rail transit specifically, because they've moved away from southwestern Ontario. It's now very much Ottawa, Montreal and Toronto, that triangle, and that limits the economic growth of the entire province. So I really do appreciate someone who is obviously connected to the automotive industry coming in here and talking about the value of rail. If you wish, I can make sure that you get that other proposal. You would be very interested in it. Thank you very much.

**Mr. Chris West:** Thank you.

**Mr. Michael Prue:** Is there still time?

**The Chair (Mr. Kevin Daniel Flynn):** Yes.

**Mr. Michael Prue:** Okay. One of your concerns that you outline on page 4 is managing Ontario's electricity system. We pay amongst the highest rates of any consumers in North America, and it is only likely to go up. What kind of effect is electricity having on your business or people you know in St. Marys? We know that a lot of factories are shutting down, and some of them are citing the fact that it just costs too much to do business here in terms of power.

**Mr. Chris West:** I really believe, although you don't very often see it, that a lot of the reason that we're losing

jobs in Ontario and Canada is because we're not competitive, and certainly one of the areas where we're not competitive is energy costs. When we had the big hit back in 2008-09, we had to look at ways to reduce all of the expenses at the dealership. One of the things we did is we put in more efficient lighting in the dealership because we couldn't handle the additional energy costs. We cut back on the time that our lights are on in the lot, which obviously decreases safety and makes it harder for consumers to look at vehicles. We turned the heat down in the evening. It does affect it, and it does make Ontario somewhat, I believe, uncompetitive compared to other jurisdictions.

**Mr. Michael Prue:** Do you have any suggestions about what the finance committee could recommend to the government in terms of energy costs, electricity? Should we be telling them to hold the line, to make electricity available to industry at a cheaper rate than we're doing it now? Do you have any suggestions for us?

**Mr. Chris West:** It seems to me that one of the problems with electricity is there's not enough competition. I get that impression when I speak to people at the different companies. I certainly don't get that impression from Stratford, but talking to people in Ontario about Hydro One—I get the impression they could care less. To me, you don't have customers if you don't offer service. I think it's a competitive situation.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much for coming today, Chris.

**Mr. Chris West:** Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** I have a question: Why did you pick Oakville and not Kitchener?

**Mr. Chris West:** I'm not sure. I think it was probably the day. I tried to pick a day that worked out best.

**The Chair (Mr. Kevin Daniel Flynn):** Okay.

**Mr. Chris West:** I would have come by Via train, but it's a little hard in Oakville. Queen's Park is easier.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you for coming. Is Ivonne Spicer with us? Ivonne Spicer? Ivonne Spicer was scheduled for 4 o'clock and may not be joining us; at 4:15 was Chris Invidiata.

#### ASSOCIATION OF DAY CARE OPERATORS OF ONTARIO

**The Chair (Mr. Kevin Daniel Flynn):** The next speaker, then, would be Kim Yeaman. Kim, are you here? Would you like to go a little bit early?

**Ms. Kim Yeaman:** I'm ready to go.

**The Chair (Mr. Kevin Daniel Flynn):** Perfect. Come on forward.

**Ms. Kim Yeaman:** Good thing I was early.

**The Chair (Mr. Kevin Daniel Flynn):** You get 15 minutes, Kim. Use that any way you see fit. If there's any time left at the end, it'll come from the government side.

**Ms. Kim Yeaman:** My name is Kim Yeaman. I am the co-president of ADCO, which is the Association of Day Care Operators of Ontario. I'm also actually a small

business owner. I own a child care centre in Innisfil, Ontario.

I couldn't get time in Toronto, so that's why I'm in Oakville today—

**Mr. Steven Del Duca:** Before you ask.

**Ms. Kim Yeaman:** Before you ask, just in case.

*Interjection.*

**Ms. Kim Yeaman:** Actually, it wasn't bad; it was a great day to drive, I have to tell you.

In order to fully understand the context of my presentation, I'd like to start with a quick primer about Ontario's licensed child care industry.

Roughly half of the licensed child care spaces in Ontario exist in what I will call the independent licensed child care sector. The independent licensed child care sector includes centres that are run as small businesses or as not-for-profit corporations. We say "independent" because these centres are not affiliated with any government agency, municipality or any other large multi-service agency such as the YMCA.

All licensed child care programs are governed by the Day Nurseries Act, which means they are regularly inspected and licensed annually by the Ministry of Education. All licensed child care programs have to follow the same rules and adhere to the same standards. These standards are considerably more stringent than the government-run early learning program that most of you know as school-based full-day JK/SK.

#### 1550

Some children attend licensed child care with the help of provincial fee subsidies. The funding is provided by the Ministry of Education and administered by municipalities which enter into purchase-of-service agreements with licensed child care programs.

From the standpoint of cost to taxpayers, independent licensed child care programs are less expensive than early learning and child care programs delivered by municipal governments or school boards. This is why some municipalities, including Peel and Windsor, have gotten out of delivering child care services directly. They can serve more children at less cost through purchase-of-service agreements with independent licensed programs.

There are two other things you need to know about Ontario's independent licensed child care sector. It is one of the few industries in Ontario in which women are equitably represented in the ranks of owners, senior managers and supervisors. Within the Association of Day Care Operators of Ontario, or ADCO, women comprise the majority of centre owners and executive directors. The independent licensed child care sector is also a popular career choice with new Canadians, who often invest their life savings into their new enterprises. The majority of new child care owners joining ADCO during a start-up have been in Canada for less than seven years.

I'd like to share with you a bit about my own experience as a licensed child care owner/operator so you can understand what we do and why it's important. My licensed centre is located in Innisfil. I started it in 2002, and I have a degree in psychology. I am also a RECE.

We serve 190 children each day, ranging in age from 12 months to 12 years old. We serve families of all income levels and provide transportation to all the local schools. We operate our own buses. We employ a full-time chef to provide hot meal services to the children who are with us all day and bag lunches for the children who need them for school. We offer extra-curricular activities on-site so children can participate in sports, music or arts programs without their parents having to drive them to other locations. If you have more than one child, you know what that's like, right? You can only split yourself in so many pieces. Our centre is fully inclusive, co-ordinating a host of specialized services for the children who need them. Most of our staff have been with us for five years or more and some of them since we opened our doors. Our centre accounts for 20 local jobs and roughly \$1 million annually in wages and direct local purchasing activity.

Across Ontario, there are over 1,000 people like me who operate independent licensed child care programs that meet or exceed provincial standards. The vast majority of them are women. No matter what our centre's incorporated status is—commercial or non-profit—our goal is to provide a positive, supportive, high-quality early learning and care experience for every family who comes through the door.

In most communities across Ontario, independent licensed child care programs like mine were the first licensed child care services available. We did not use taxpayer dollars to build or expand our centres. Most of us used our savings or mortgaged our homes. Having met hundreds of licensed child care operators or owners over the years, I've never met a single person who is in this field just for the money.

ADCO, the Association of Day Care Operators of Ontario, is comprised of people like me. Some run their centres as small businesses and some as community-based not-for-profits. Of the ADCO centres that are run as small businesses, over half are owned by registered ECEs. We also have registered nurses, professional engineers, environmental scientists and certified teachers within the ADCO ownership ranks.

By now you've all probably heard that access to licensed child care is an important factor in workforce participation rates and that it helps children get the skills they need to succeed in school and in their careers. The real question is how governments can best increase access to licensed child care.

In 2006, economist Peter Taylor produced a research paper that examined Canadian and international daycare policies. He concluded that there are significant advantages for citizens and their governments when there is a thriving independent licensed child care sector that includes both commercial and not-for-profit operators. These advantages are choice, access, responsiveness and efficiency.

The inclusion of both commercial and not-for-profit child care owner/operators in a province's child care mix increases the range of high-quality choices that families

have in selecting care. Restricting the provision of child care services to the public sector or just to not-for-profits, as seen in the case in Saskatchewan, results in reduced access to regulated early learning and child care services for parents. It's unfortunate that the city of Toronto and the province of Ontario seem to have their sights set on imposing similar restrictions here.

Jurisdictions that treat commercial and not-for-profit child care centres equally in terms of government regulation, subsidies and grants have found that the commercial sector is best able to respond quickly to increased demand. This is an important lesson for parts of Ontario such as Peel region, where they're experiencing rapid population growth and don't have enough licensed spaces to keep up. This limits the potential economic growth of these regions.

Jurisdictions that treat commercial and non-profit child care operators equally also display lower costs per regulated child care space than do jurisdictions that discriminate. The phenomenon can mostly be seen notably in Alberta, BC and the Atlantic provinces.

The research suggests that in the interests of family well-being and sound economic policy, independent licensed child care centres, both commercial and not-for-profit, must be considered important components of a national or provincial child care system. The government's focus must therefore be on removing barriers to the success of independent licensed child care owners and operators and creating a level playing field for all such programs.

I'm here today because hastily designed and implemented provincial and municipal policies are reducing the range of regulated child care choices available to families. It's costing taxpayers hundreds of millions of dollars and putting children at risk. When regulated child care for Ontario's youngest children is not readily available and families face increased financial pressure, they will turn to unlicensed, informal caregivers. As we've seen, the government of Ontario is already facing many problems with unlicensed, informal care. In some instances, these problems have led to tragic consequences.

Over the last eight years, provincial responsibility for child care policy and funding has been transferred among ministries on three separate occasions. It has gone from the Ministry of Community and Social Services to the Ministry of Children and Youth Services and, at the start of 2012, to the Ministry of Education.

Even though the regulations governing licensed child care have remained relatively consistent, each change in ministry has meant changes in provincial advisory and licensing staff and dramatic changes in how regulations are interpreted. As a licensed owner/operator, it's often hard to keep up. This constant state of rapid, arbitrary, government-imposed change certainly does not benefit taxpayers, and it has already put children at risk.

Since landing at the Ministry of Education, responsibility for the well-being of Ontario's youngest children has taken a back seat to the development of the school-based, government-run program that we all know as full-day JK/SK.

Some of the provincial offices that used to provide licensing and inspection services to the child care sector have been closed. It's very clear that the staff at the offices that remain are stretched extremely thin. Many licensed child care owners have successfully passed their annual licensing inspections and have waited nearly a year to receive the licences they are supposed to be posting within their centres. No wonder so many parents are confused about the difference between licensed and unlicensed care.

Yet, in December, the Minister of Education proceeded to introduce Bill 143. Bill 143 was promoted as necessary for cracking down on unlicensed informal caregivers and closing an obscure legal loophole that allowed some private schools to deliver services outside of the Day Nurseries Act. However, it also gives provincial and municipal officials sweeping new powers over licensed child care centres.

If passed in its current form, Bill 143 will force many more independent licensed child care centres to close. Yet, the demand for regulated child care services isn't going to suddenly disappear. The province will then be under pressure to finance replacing the spaces Bill 143 has destroyed.

If the Drummond commission thought the cost of the full-day JK/SK program was too much for Ontario's economy to withstand, can you imagine the commission's reaction to the costs associated with this plan? And what happens to all of the families who are displaced in the process? How is it that their children would be made safer?

Media reports published in November of last year revealed that the Ministry of Education's own research shows that full-day JK/SK isn't yielding the results it had hoped for. Ontario's taxpayers don't want their government to double down on that bet. They also don't want government-run programs as their only regulated child care choice from the time their children are born.

There is a better way to increase access to regulated early learning and care services for all Ontario families. There is a less expensive way to deliver these services without a loss of quality, and there are tens of thousands of Ontario families who are already relying on it every single day. That way is Ontario's independent licensed child care sector.

Let's not forget that just a few short years ago, prior to the advent of the government's full-day kindergarten, there was a fully functioning licensed child care system in Ontario. Most licensed child care spaces were within walking distance to a school and many were located right on school grounds. The challenge in some areas was that there weren't enough licensed spaces to meet the demand. In others, there were plenty of spaces, but cash-strapped families couldn't afford them.

The government has many options to address this challenge. It could provide low-interest loans to new and existing licensed child care owner/operators to create new spaces in underserved areas. It could invest more in fee subsidy assistance for lower- and middle-income

families, which will help fill spaces that are sitting empty. To date, however, the government has only sought to eliminate what is already working in the private and non-profit sectors and replace it with something it owns and runs itself.

The time has come to stop putting Ontario's children at risk, to protect the rights of the tens of thousands of Ontario parents who choose independent licensed child care programs every day, and to breathe new life into this vital sector of Ontario's economy.

There are two very important things this government can do, neither of which will cost taxpayers a cent: follow the recommendations of the Drummond commission and don't continue to expand the full-day JK/SK program; and place an immediate five-year moratorium on regulatory or legislative changes aimed at all licensed child care programs, both existing and new, and focus on enhancing the safety of unlicensed environments.

Together, these steps would help protect the children who are currently most at risk, preserve licensed child care spaces, and respect the rights of parents to make choices for their children, and all at no additional cost to taxpayers.

Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Kim. Thank you for your presentation. You've left about two minutes for questions.

Donna.

**Mrs. Donna H. Cansfield:** Thank you. I just have one question. At the beginning, you said that all licensed child care programs have to follow the same rules and adhere to the same standards, and that they're more stringent than the government-run early learning program. Can you tell me what those differences are?

**Ms. Kim Yeaman:** The ratio of child to—

**Mrs. Donna H. Cansfield:** Well, that's 12 to 1 in the day nursery.

**Ms. Kim Yeaman:** No, the day nursery at JK is 1 to 10.

**Mrs. Donna H. Cansfield:** One to 10.

**Ms. Kim Yeaman:** One to 10. So they're at 1 to 13, if not more, in JK classrooms.

**Mrs. Donna H. Cansfield:** But they have assistants and support services in there, so is that the only difference?

**Ms. Kim Yeaman:** There are regulations about window space, toys, program—exactly what the program has to be—to meet those needs; what care is provided, too. At the same time, there's a lot more flexibility in child care programs than there is in schools.

**Mrs. Donna H. Cansfield:** Interesting. I spent 30 years in day nursery programs and so I'm finding it difficult that you think there is such a difference between what's offered in the all-day program and in kindergartens. With the exception of the learning component—it's different, because there is a curriculum. Certainly, in my nursery school, we followed that curriculum, so I'm not sure where the differences really are.

**Ms. Kim Yeaman:** One of the things that is becoming really evident is that the schools-first policy for child care

and for the JK/SK—that everything is going to be in the schools first—that parents are not going to be allowed to have any choice about where their children are during the day, either before—

*Interjection.*

**Ms. Kim Yeaman:** Ah, time's up.

**The Chair (Mr. Kevin Daniel Flynn):** Finish that thought. You came all the way from Innisfil—

**Ms. Kim Yeaman:** I really did.

**The Chair (Mr. Kevin Daniel Flynn):** I cut you off in mid-sentence. Finish your sentence.

**Ms. Kim Yeaman:** Thank you. One of the things about independent child care that is not located in schools: The parents will still have choice about where their children go every day. What the parents need, too, can be very different. And the school board says, "We're in school from this time to this time and this is what we offer." A lot of independent child care centres can offer very different things, depending on the need in the community.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Kim.

*Interjection.*

**Ms. Kim Yeaman:** I realize that, yes.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you for coming to Oakville today, Kim.

**Ms. Kim Yeaman:** Thanks so much.

*Interjections.*

**The Chair (Mr. Kevin Daniel Flynn):** Take the 407.

**Mr. Michael Prue:** Only if you're rich.

**The Chair (Mr. Kevin Daniel Flynn):** That's right.

We're still waiting for Chris Invidiata—I haven't seen Chris enter the room yet—and Dr. James Swan, the cardiologist. Why don't we take a little break and recess for a few minutes and see if these folks show up?

*The committee recessed from 1604 to 1612.*

#### MR. CHRISTOPHER INVIDIATA

**The Chair (Mr. Kevin Daniel Flynn):** Okay. Let's call back to order. Our next delegation this afternoon is Chris Invidiata. Chris, you get 15 minutes, like everybody else today has had. Use that any way you see fit. If you leave some time at the end, the questions will come from the Conservative Party this time.

**Mr. Christopher Invidiata:** Okay. Wonderful.

**The Chair (Mr. Kevin Daniel Flynn):** The floor is all yours.

**Mr. Christopher Invidiata:** Thanks for doing what you're doing in opening up to us commoners so you can hear what we're experiencing.

I've been in real estate for 29 years, most of it here in Oakville, Mississauga, Burlington, and a lot of it had to do with construction and selling new homes etc.

One of the things that has impacted the industry is the HST's effect on the new home industry when it applies to homes that are, let's say, in excess of \$800,000 to \$1 million. So the impact of the HST has caused a lot of builders to stop building, because that 13% on their sale

price is actually more money than they make constructing the home. So the risk-reward has disappeared.

What we've come to see is builders now retreating and becoming just general contractors, working for the end-user. So the buyer used to be a builder, buying a property, then building it, putting it out to the market, registering with Tarion and hoping to sell that home as a new home and build his brand and build his business. Well, that has since stopped, and so the builders are looking for the end-user to buy the home, build the house.

The end-user moves into this home, and, quite often, that end-user turns out to turn around and sell this home in the future, which is now unwarranted by Tarion. So you have a situation where homes are not being registered with Tarion for warranty, and you have a public who's looking to buy homes now that—basically the seller is a resale home and there's no warranty involved anymore, and the builder is no longer building his brand as a business. He's just simply contracting to build the house.

Our feeling is that the land itself should be exempt from HST. I consider land now equal to food and equal to resale business, that it should not be taxed as HST. So if you were to credit the land portion in these transactions, you would have HST on all of the components that went into building the home, including the profit, and the homes would be warranted again. The balance would be there for the builders to make just a profit, which is about 8%—the industry is at about 8% or 9%—and I think it would revitalise that whole industry and bring the builders back. It would put it back into balance. Right now it's clearly out of balance.

The exemption, I think, should also apply even to developers. Developers who deal in the high-end part of the market are also feeling this impact. When they buy a big tract of land, they divide it up. When they go to sell the land, that HST portion is, again, so excessive that it's unaffordable when you compare it to infill lots. It's also clearly an excessive amount on the land portion, and I think that all should be exempt for developers as well.

I think, in conclusion, that it's as simple as that. I think that if the credit was put in on the land portion you'd see a whole industry, the custom builders, coming back to the market and starting to build again. Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Chris. You've left quite a bit of time for questions from the Conservative Party.

Vic?

**Mr. Victor Fedeli:** Thank you very much, Chair. Welcome.

**Mr. Christopher Invidiata:** Thank you.

**Mr. Victor Fedeli:** May I just call you Chris?

**Mr. Christopher Invidiata:** Yes, sure. Christopher is fine, yes.

**Mr. Victor Fedeli:** When you talk about the fact that the land should not be taxed with the HST and that that will help a warranty come back—can you just make that link for me again? I missed that interlocutor.

**Mr. Christopher Invidiata:** Okay. If you go back to pre-HST, you will find with Tarion, that I would say that

close to 100%—100% is too high, but let's say 90% of all custom homes built in the province would be registered with Tarion.

**Mr. Victor Fedeli:** Okay.

**Mr. Christopher Invidiata:** After that date, you will see that it falls off completely. The builders are not registering with Tarion, because legally they don't have to as long as they're not selling the home. If they're contracting it for the consumer, the end user, then they're not breaking the law by not registering with Tarion. They are breaking the law if they're buying the property, building a home and selling it before it's finished. They need to register with Tarion. That's the law.

**Mr. Victor Fedeli:** I just miss the link as to how not taxing the land would make that complete.

**Mr. Christopher Invidiata:** Oh, okay. So, pre-HST, when there was GST, every builder would buy property, would register with Tarion, would build the home, would put it back on the market, and they would take the risk of selling it, but now the amount is too high, so they're not taking the risk. They've retreated from doing that, and some of them have left the business. They've gone into other fields.

**Mr. Victor Fedeli:** I understand that link that you have made now.

Do you have any questions, Ted, on that particular?

**Mr. Ted Arnott:** No.

**Mr. Victor Fedeli:** So, we've got some time. Let me just ask you a little bit about the real estate market, then.

**Mr. Christopher Invidiata:** Sure.

**Mr. Victor Fedeli:** Just in general, I don't have any idea: What's happening out there?

**Mr. Christopher Invidiata:** Well, in our industry right now, I would say, as a whole it's pretty healthy. I would say that this one area is an isolated part of the market which has been hit hard.

**Mr. Victor Fedeli:** Which area is isolated?

**Mr. Christopher Invidiata:** The custom builders. You can see a big hole, or a drop in the chart, if you would, if you do the analysis. But overall, I think that the interest rates, the state of the economy and the immigration influences are good.

I think that the immigration policies should be a little bit streamlined for people who have means. Right now I deal with a lot of the high-end immigrants, and some of their stories about being totally frustrated about trying to get into the country, where they have millions and millions of dollars, they have technology and they can bring businesses. That's another area where they feel—or I feel, anyways—that we could, using their words, have a fast track, if you will, like at the airport where you have your American express line. It would just bring more people with money into the country.

**Mr. Victor Fedeli:** Let me ask you: We met with OREA just—was it about a month ago that OREA was in Toronto? Maybe a month and a half ago, the Ontario Real Estate Association was in Toronto. Do I remember—was one of the bigger issues that we talked about electronic signatures?

**Mr. Christopher Invidiata:** As an issue?

**Mr. Victor Fedeli:** Yes.

**Mr. Christopher Invidiata:** I don't find that to be a problem, to be honest with you. I think that the world of electronic signature registry has accelerated the efficiency. I think it causes more problems for fraud. It opens it up to that whole world of whether it was fraudulent or not. But I think for the 99% of the deals that are done legitimately, it has actually accelerated the business and helped the business along.

1620

**Mr. Victor Fedeli:** Chair, I don't have any further questions.

**The Chair (Mr. Kevin Daniel Flynn):** Wonderful. Anything, Ted?

**Mr. Ted Arnott:** No, I'm fine.

**The Chair (Mr. Kevin Daniel Flynn):** Wonderful. Thank you very much, Chris. We appreciate you being here today.

**Mr. Christopher Invidiata:** My pleasure. Thanks for having me.

#### ONTARIO ASSOCIATION OF CARDIOLOGISTS

**The Chair (Mr. Kevin Daniel Flynn):** Dr. Swan, is it? Perfect timing. Chris just finished his delegation, so you can have his seat.

**Dr. James Swan:** Traffic couldn't be any better.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much for joining us today. You've got 15 minutes like everybody else. If you want to save some time for the end, that would be great. The questioning this time will come from the NDP. The floor is all yours.

**Dr. James Swan:** Do I push a button here?

**The Chair (Mr. Kevin Daniel Flynn):** No, you just talk; we take care of the rest.

**Dr. James Swan:** First of all, thanks very much for inviting me to speak today. My name is Jim Swan, and I was here last year on behalf of the Ontario Association of Cardiologists. I appreciated the dialogue which we were able to open up with your committee. It turned out to have many positive results, I think, both on the government side and for cardiac patients in Ontario.

I don't think I have to tell anybody here around the table that cardiac disease is one of the major concerns that we have in our country. As you know, 29% of the deaths that occur in Canada are related to cardiac disease, and it consumes 21 billion of the dollars that we spend in our country. So for each of the provinces and across the country, \$21 billion is spent on cardiac disease.

This dollar number is growing because the burden of cardiac disease is changing. Some of that has to do with not only our own population; the population that's coming to Canada from the immigration side brings with it a fairly large burden of disease which we have to look after.

What the cardiologists each day in Canada and here in Ontario do is, we meet with our patients, we diagnose the problem, we treat the problem, we manage the problem, and we try to rehabilitate the patient after we've involved

them in whatever treatment it is for cardiac disease, whether it's primarily medical or whether we've done an intervention.

As you know, this is the number one killer, and it's the major public health threat to the Canadian economy, again because of the cost. One of the things I think you have to always be careful of is—if you involve us, the cardiologists, at the beginning of your planning in your programs, we can help you do it in a more efficient and cost-effective way so that we can use those tax dollars best to deliver the best care that we can here in Ontario and we can maintain our world-class status.

The other thing is, we have a good track record here in Ontario, the cardiologists working with you and with government. We really want to continue the excellent relationship that we have with you, but success in that relationship depends on two things. It depends on the mutual trust and respect that we have for each other. The government has to respect us, and we have to respect you. If we don't have that respect, then we're not going to go anywhere. It's very critical that you respect us and we respect your job, and we are prepared to do that.

If you follow the recommendations that I've given in the background to what I'm talking about today, you will find that not only will we improve cardiac care, but we can achieve future expansion of services within the health care budget that you have. I want to stress to you again that we in cardiology understand that our province is under fiscal constraint because of the dollars that are there. But if you work together with us early on, we can do much.

The recommendations that I've outlined in the brief really consist of five specific areas. A little over a year ago, I was here and we talked about the order in council which was passed in May 2012. That order in council would have changed the definition of "self-referral" and it would have put out of business a lot of non-invasive cardiac labs, whether they lay in a university environment, in a hospital environment or in the community. We were able to work with government to change that definition, and I'm pleased to report that we appreciate the positive effort of not only the Liberal government but the Conservatives and the NDP, because we went and met with each of you, and I believe it was a combined effort that led to the success in that area. On behalf of the cardiologists but mostly on behalf of the cardiac patients in Ontario, I thank you for your hard work in that area.

On the last one, if you look at the cuts that took place under the physician services agreement, \$54 million went out of cardiac services. If you look at that number, changes in ECGs went to \$17 million of that cut. The actual amount for an ECG was chopped in half, by 50%.

This is something that is very offensive to cardiologists. The ECG is probably the most important test that we do when we see a patient. It takes a great amount of expertise to read an ECG. It's not something that a computer can read. If you put 100 complicated ECGs in front of a computer, it would be lucky to get 2% right.

When patients come to see us in our office, they're complicated. They're not easy patients to deal with. I

think what some people in government understand now is that you can just have a computer-generated ECG with a report. If they're normal, the computer will pick up 99% of it. That's not the population that we're talking about.

The ECG cut hurt cardiologists tremendously in the reward for the time and effort that they have to spend on reading ECGs. You don't just read an ECG in 10 seconds; it takes expertise. Oftentimes, it will take you a number of minutes to do it.

We've identified this as a problem with the Ministry of Health. They said that the fee cut that took place in ECGs is a problem. We've met with Susan Fitzpatrick, and she wants to address it. We've met in our own organization, which was a party to this cut, and we've told them that this is the number one thing that has to be rectified for cardiologists, and they are cognizant of that. So I want to stress that to you.

A little over a year ago when we were here, we talked about the provisions for echocardiography in Ontario and how we're doing there. As you know, if you go back and look at the documentation, you'll find that if we have the standards in place, we'll get the right test done on the right patient at the right time by the right people for the right reason, using the right equipment. ICES analyzed our document—and I'm one of the authors of the document. We could save \$42 million. I'm happy to report that we've got some labs certified and we're moving forward in that area. The goal is that within two years—maybe faster, if you in government tell us you want to do it; I think it's not a bad idea to go faster—we can get that done and we can save more money there. We can get the right test done.

The other thing I want to alert you to is to be cognizant of a program that's coming across in Canada that's called Choosing Wisely. What Choosing Wisely is—it's again talking to patients, doctors and technologists: Use the right test, do it at the right time and use our resources better. All of the medical organizations in Canada are on board with that. Our program in Canada is going to be a little different than in the US. You can leave the US—you'll find that it's got some problems.

What we're trying to do here in Canada is do it a little bit better and also get some outcome data so we can see, as the program is rolled out, how we're doing: whether we're doing a good job or whether we're not. We're going into the medical schools, if you can believe it, and we're educating the young men and women who are becoming physicians about this program. I think it's very exciting. I had the privilege of teaching young students and examining them, and I've had some young students in first and second year ask me about the Choosing Wisely program, and, really, there are very good questions that they ask, and they really want to do a good job. So I think we can be encouraged there.

**1630**

The other thing is, there's a program going on in Ontario right now about looking after the patient with congestive heart failure. The congestive heart failure patient is a patient who requires a lot of expertise to look after and eats up a lot of resources. There's a program

that the government rolled out called Health Links. In our opinion, the program has merit, but the way it was rolled out and the fact that you did not involve cardiologists at the beginning of the program in some of the ideas that you had I think in the long run will end up costing you extra dollars.

We've met with Helen Angus, who is in charge of the program. We've talked about heart failure, and she liked the fact that we brought positive suggestions and new ideas on how we could roll out a program for heart failure so that wherever you lie in this province, you would get equal access to a similar program. As you know, the Cardiac Care Network states that wherever you lie in this province, you should have equal access to care. So if you lie on University Avenue and you need an angioplasty, it should be the same as if you live in Orangeville and you want to get access. We should be able to give you the same service.

So what we've done—the Ontario Association of Cardiologists—is we have experts. If you look in our board, we have tremendous experts there. We have world-class authorities on heart failure, and we've put together two pilots which we're in the process of rolling out. I want to alert you that we are working with the Ministry of Health, the Cardiac Care Network and our own Ontario Medical Association to roll out these two pilots. It looks like if the pilots are successful—one will be in a large community; one will be in a small community—then it would be something that we could move out across the province, because we're interested in delivering care, as cardiologists, well across our province. So we would like your support there.

Two years ago, Don Drummond, when he was talking about what was the matter in Ontario, said, "The ultimate challenge in the years ahead will be to find ways to make government work better and preserve as much as possible the programs Ontarians cherish most."

We think that the programs that they cherish most involve cardiac disease, because whether you like it or whether you don't, cardiologists save lives. It's care that's administered directly by cardiologists. It's not care in cardiac disease delivered by family physicians or oncologists or obstetricians; it's direct care by cardiologists. By that, we mean when patients come out of hospital after major cardiac interventions, they need to see a cardiologist within two or three weeks. The literature supports this. ICES has recent data to support this. You'll see background information in the background document. Don't forget: The more encounters you have earlier on after you have an intervention with a cardiologist, the better your care is and the least cost to government.

So we believe that if the government works directly with us in the initial stages of planning in what you're going to do in cardiac care, we can do a better job in a tough time.

I'd be glad to take any questions.

**The Chair (Mr. Kevin Daniel Flynn):** Okay. Thank you, Dr. Swan. You've got two minutes left.

Michael or Catherine?

**Mr. Michael Prue:** Yes, a number of questions. The first one: Your recommendation number 2 is to reverse the cuts for \$17 million. It was my understanding that the OMA and the government signed a deal. The cardiologists may have been represented by the OMA, perhaps not to your satisfaction, but wasn't that deal agreed upon by all parties and signed?

**Dr. James Swan:** Well, the deal was signed by the OMA and the government. As cardiologists, we've had an excellent relationship working with the Ministry of Health. And I've heard both sides of this equation. I've heard our own organization tell us one thing, and I've heard the government tell us something else. The real problem is—I don't think we need to go back there. There has been a mistake that has been made here with the amount of money that we are paying for an ECG. This needs to be corrected so that the people, the men and women who are doing this test, are adequately rewarded for the expertise which they have.

**Mr. Michael Prue:** Okay, so this would involve, then, an expenditure of an additional \$17 million—

**Dr. James Swan:** Well, I think there are negotiations going on, and each section is asked to put forward what they think is important. There were some mistakes that were made, and we're trying to rectify it.

One of the things we see that would be very helpful is to get the ECG rate up to a reasonable level. Just to give you some background, the Cardiac Care Network has a committee on ECG and Holter monitoring. We are actively involved there, and there are some recommendations coming forward. They realize it's a problem too. I think what you'll see in the negotiations on behalf of government is that they're going to move on this, and our own organization is. But we feel that this was something that was very, very badly overlooked.

**The Chair (Mr. Kevin Daniel Flynn):** You're going to have to be really brief.

**Ms. Catherine Fife:** Is your ask, then, to restore the \$17 million so that those ECG tests—

**Dr. James Swan:** We know that \$54 million was taken out of cardiology, and \$17 million of those cuts came from ECGs. We don't know what's going to happen this time. People go back and forth in negotiations. But what we want to see is, first of all, no further cuts to cardiac services; we want to be very clear about that.

Also, as I mentioned to you, if we can work with you in government early on as you roll out your programs, we can save you money in a tight budget time. We think there are savings there, if we work together, but the savings will only occur if we trust each other and we work together.

We're asking you in government to get us involved up front; get us involved at the beginning. We have experts who are willing to do the job, but we'd rather be asked at the beginning than halfway through.

**Ms. Catherine Fife:** And you want them to negotiate in good faith. That's one of your hard asks.

**Dr. James Swan:** Oh, yes. Everybody should negotiate in good faith, yes.

**Ms. Catherine Fife:** You shouldn't have to come here and ask for it.

**Dr. James Swan:** Cardiologists were dealt with very strictly in the last negotiations.

**Ms. Catherine Fife:** Very strictly.

**Dr. James Swan:** Yes, and we have taken a cut in income, and it has hurt people. So we're asking this time for—go somewhere else, not us.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Dr. Swan. Thank you for coming today. It was appreciated.

This committee is adjourned to Peterborough.

*The committee adjourned at 1637.*

*Continued from back cover*

Ontario Nurses' Association .....	F-539
Ms. Jo Anne Shannon	
WoodGreen Community Services.....	F-542
Mr. Brian Smith	
Mr. Peter Kolisnyk	
Mr. Glen Herring	
Ontario Convenience Stores Association.....	F-544
Mr. Dave Bryans	
Mr. Chris West.....	F-547
Association of Day Care Operators of Ontario .....	F-549
Ms. Kim Yeaman	
Mr. Christopher Invidiata.....	F-552
Ontario Association of Cardiologists .....	F-554
Dr. James Swan	

#### **STANDING COMMITTEE ON FINANCE AND ECONOMIC AFFAIRS**

##### **Chair / Président**

Mr. Kevin Daniel Flynn (Oakville L)

##### **Vice-Chair / Vice-Présidente**

Ms. Soo Wong (Scarborough–Agincourt L)

Mr. Steven Del Duca (Vaughan L)

Mr. Victor Fedeli (Nipissing PC)

Ms. Catherine Fife (Kitchener–Waterloo ND)

Mr. Kevin Daniel Flynn (Oakville L)

Mr. Douglas C. Holyday (Etobicoke–Lakeshore PC)

Ms. Mitzie Hunter (Scarborough–Guildwood L)

Mr. Monte McNaughton (Lambton–Kent–Middlesex PC)

Mr. Michael Prue (Beaches–East York ND)

Ms. Soo Wong (Scarborough–Agincourt L)

##### **Substitutions / Membres remplaçants**

Mr. Ted Arnott (Wellington–Halton Hills PC)

Mrs. Donna H. Cansfield (Etobicoke Centre / Etobicoke-Centre L)

Mr. Bob Delaney (Mississauga–Streetsville L)

##### **Clerk / Greffier**

Mr. Katch Koch

##### **Staff / Personnel**

Ms. Susan Viets, research officer,  
Research Services

## CONTENTS

Tuesday 14 January 2014

Pre-budget consultations .....	F-497
Mr. Rob Burton	
Canadian Manufacturers and Exporters .....	F-497
Mr. Ian Howcroft	
Mr. Paul Clipsham	
E.J. Nock Realty Consultants Ltd. ....	F-500
Mr. Ernie Nock	
Molly Maid .....	F-501
Mr. Kevin Hipkins	
Building Up Our Neighbourhoods; Peel Poverty Action Group.....	F-503
Ms. Catherine Soplet	
Community Development Halton .....	F-505
Dr. Joey Edwardh	
ApprenticeLMS Ltd. ....	F-508
Mr. Erik Hamalainen	
Ontario Waste Management Association .....	F-509
Mr. Rob Cook	
Mr. Peter Hargreave	
Mr. Edward Bavington.....	F-512
Oakville Chamber of Commerce.....	F-514
Mr. John Sawyer	
Peel Poverty Action Group .....	F-516
Ms. Edna Toth	
Campaign for Adequate Welfare and Disability Benefits .....	F-518
Ms. Elizabeth McGuire	
Halton Poverty Roundtable.....	F-520
Ms. Leena Sharma	
Ms. Colleen Sym	
Ontario Trial Lawyers Association .....	F-522
Mr. Steve Rastin	
Mr. John Karapita	
Acrobat Results Marketing Ltd. ....	F-525
Mr. Tim Sinke	
Racing Under Saddle Ontario .....	F-527
Ms. Sarah Town	
Ms. Julie Walker	
Regional Municipality of Halton.....	F-530
Mr. Gary Carr	
Ms. Kathryn Bateman Olmstead .....	F-532
Interior Systems Contractors Association of Ontario.....	F-535
Mr. Jeff Koller	
Retail Council of Canada .....	F-537
Mr. Gary Rygus	

*Continued on inside back cover*

AZON  
C25  
F31

F-21



F-21

ISSN 1180-4386

**Legislative Assembly  
of Ontario**

Second Session, 40<sup>th</sup> Parliament

**Official Report  
of Debates  
(Hansard)**

**Wednesday 15 January 2014**

**Standing Committee on  
Finance and Economic Affairs**

Pre-budget consultations

**Assemblée législative  
de l'Ontario**

Deuxième session, 40<sup>e</sup> législature

**Journal  
des débats  
(Hansard)**

**Mercredi 15 janvier 2014**

**Comité permanent des finances  
et des affaires économiques**

Consultations prébudgétaires



Chair: Kevin Daniel Flynn  
Clerk: Katch Koch

Président : Kevin Daniel Flynn  
Greffier : Katch Koch

### **Hansard on the Internet**

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. The address is:

<http://www.ontla.on.ca/>

### **Index inquiries**

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.

### **Le Journal des débats sur Internet**

L'adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance est :

### **Renseignements sur l'index**

Adressez vos questions portant sur des numéros précédents du Journal des débats au personnel de l'index, qui vous fourniront des références aux pages dans l'index cumulatif, en composant le 416-325-7410 ou le 325-3708.



## LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON  
FINANCE AND ECONOMIC AFFAIRS

Wednesday 15 January 2014

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES FINANCES  
ET DES AFFAIRES ÉCONOMIQUES

Mercredi 15 janvier 2014

*The committee met at 0900 in the Best Western Plus Otonabee Inn, Peterborough.*

## PRE-BUDGET CONSULTATIONS

**The Chair (Mr. Kevin Daniel Flynn):** Okay, ladies and gentlemen. Let's call to order. We've got the pleasure of being joined this morning by Minister Jeff Leal, MPP from Peterborough. Jeff, you'd like to welcome the group, I understand.

**Hon. Jeff Leal:** Thank you very much, Chair Flynn. It's a delight to have you come to Peterborough this morning, and certainly the Standing Committee on Finance and Economic Affairs. All of us truly appreciate the great work that various committees do as part of the overall legislative framework in the province of Ontario. Deliberations of this committee are always particularly important. You'll be hearing lots of views on a wide variety of issues, certainly, from deputants from the riding of Peterborough and beyond. I welcome Laurie Scott here this morning.

I want to bring you greetings on behalf of the warden of Peterborough county, my good friend J. Murray Jones, and His Worship Mayor Daryl Bennett, the mayor of the city of Peterborough. I know both those individuals are particularly pleased that the standing committee is making a stop in the wonderful riding of Peterborough, which includes the city and county of Peterborough.

I know you've got a lot of work to do and there are many wonderful people behind me who eagerly want to make presentations to the committee today. So with those introductory words, welcome.

I was told you don't have a lunch today, but Michael Prue knows one of the great spots to eat in Peterborough, the Ashburnham Ale House, just a stone's throw from my home on Hunter Street East in this community, across a great bridge that has standing in the British Commonwealth. So if you do get a chance, just follow Mr. Prue and he will take you to a great spot. I know he's a connoisseur of craft beer, which they have right there. He was there a couple of months ago, just to tour the place.

Thank you very much, everyone, and enjoy your time in Peterborough. Have a great day.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Jeff, and thank you for taking the time to come this morning.

**Hon. Jeff Leal:** If Mr. Fedeli's looking for six pictures of me, they'll be in the Peterborough Examiner this morning. Keep looking. They're there somewhere, I can assure you.

**Mr. Victor Fedeli:** I've got to look again.

**Hon. Jeff Leal:** Look again.

**The Chair (Mr. Kevin Daniel Flynn):** Michael Prue is the Pied Piper of craft brews? Is this true?

**Mr. Michael Prue:** I don't know. I admit, I did go to the Ashburnham Ale House, and it had wonderful, wonderful food.

**The Chair (Mr. Kevin Daniel Flynn):** Okay, let's call forward our delegations and get the show on the road, as they say.

ONTARIO ASSOCIATION OF RESIDENCES  
TREATING YOUTH

**The Chair (Mr. Kevin Daniel Flynn):** Our first delegation this morning is the Ontario Association of Residences Treating Youth: Mark Williams.

Just in the interim, if everybody would check their phones and make sure that their phones aren't going to go off in the middle of somebody else's presentation, that would be great.

Mark, you've got 15 minutes. Use it any way you see fit. If you'd like to leave a little bit of time at the end, the questioning will come from the Conservative Party. It's all yours.

**Mr. Mark Williams:** Thank you very much, and welcome to Peterborough. My name is Mark Williams and I am representing the board of directors for the Ontario Association of Residences Treating Youth. I'm also the operator of the Hollyhawk group, which is a private provider of residential treatment and foster care located in the Kawartha Lakes and Peterborough area.

The Ontario Association of Residences Treating Youth is a provincial association. We represent over 70 member agencies from across the province that provide high-quality residential treatment to children, youth and young adults—almost 3,000 individuals a day. Our members mainly provide service to children and youth in the care of children's aid societies. The children's aid societies also run internal residential programs, but when they are unable to meet the needs of certain children and youth, they will seek out outside expertise from members

such as ours to provide such services to those children and youth.

Our second most common group of individuals that we serve are developmental services clients. These are young adults. Similar to the children's aid society, if their needs are not able to be met in the transfer payment sector, they will seek out outside expertise through our membership. Many of the young adults in our care have grown up as children and remain in those homes as adults.

The presentation today is going to talk about money, because this committee does focus on the budget. That's always an uncomfortable topic when you're talking about children and youth—in particular, people with special needs.

We're stating explicitly here and trust that you understand that our mandate is to provide top-quality service to children and youth. We're going to talk about money, but that's not what our focus is. Our hope is that throughout this presentation, you'll keep that in mind.

Moving on to the money component. As you know, the province has a significant deficit and a \$300-billion debt. The Drummond report called for, in pretty strong language, to use the private sector when equal service can be found at a lower cost. Unfortunately, to this point, MCYS has not responded to that challenge in any meaningful way.

We've met extensively with the civil service, which agrees that there is a strong need to look at reducing costs and understands that our services are, in fact, much cheaper and are definitely of equivalent quality. However, they have stated clearly that without political direction, they are unwilling to act on the need to reduce costs.

I'm going to talk about a couple of proposals that we have in front of MCYS and MCSS. The package that you have in front of you has a series of proposals that gets into things like enhancing quality, but I understand that that's not particularly the focus of this committee.

The main proposal we want to discuss is for government to complete an apples-to-apples comparison of the cost, comparing the transfer payment sector of residential care with the private sector of residential care. We've been requesting that for a number of years, and we believe there are substantial savings for the province in this time of austerity, if that information was determined and then acted upon.

In support of this—we've been asking for this for a number of years—in November of last year, Niagara family and children's services for the first time publicly announced that what we've been proposing all along was, in fact, accurate, and they would save substantially by divesting their internal residential programs and seeking out private sector solutions. In the Tribune back in November, the executive director was quoted as saying that by closing one program, they would save \$1 million to \$1.5 million, which doesn't seem like much, but there are over 40 children's aid societies, and some have 12 programs alone.

There are substantial savings to be seen here, and they announced that they would save \$50,000 per year, per child, by seeking out private sector solutions and that there would be no reduction in the quality of care. In some cases, the quality would be improved. So \$50,000 a day per child: While we recognize that not every child in the care of the children's aid society would need a residential program, there are over 20,000 children in the care of the children's aid society. These numbers are not insignificant. The savings are quite remarkable, potentially.

Similarly, we see substantial savings by divesting the cost of foster care. Currently children's aid societies are mandated to provide protection. They're mandated to do adoption. What's happened over the years is they've developed massive internal foster care systems that are very expensive. We believe that through this apples-to-apples comparison, the true cost will be determined, and that there's easily \$100 million to be saved here. Again, the private sector is already providing care to a quarter of these children. We believe that the higher that percentage, the more the province can save, and the quality of service will be equal, if not better.

0910

Moving on to MCSS: As you've probably heard, there is a huge waiting list. Some 23,000 individuals are on wait-lists for various services—not all residential services, but various services. We understand that the Select Committee on Developmental Services is meeting this week, and we have representatives presenting at that committee, but our presentation is very similar to that of the children's aid society's. We are providing matching service for the clients whom the transfer payment sector is unable to care for now, and we're doing it at a greatly reduced cost.

To reduce that 23,000-person waiting list is going to take some funding, it's going to take some money, and we would suggest that the government would get more bang for the buck, for lack of a better word, by seeking out private sector solutions. Our members have programs ready to go.

Our per diem costs that we're funded through require no capital expenditure on the part of government; that is the responsibility of the operator. As these 23,000 are found service, one solution could be to create massive government-funded entities. We would suggest that the government allow the private sector to continue providing care to this group, but expanding that percentage. We think that's the best way for government to maximize the use of what are fairly limited dollars.

Finally, to allow some questions, I just want to point out that one of our other proposals is around enhancing standards. Our membership believes strongly that the current licensing standards for children's residential placements are not sufficient. We've been advocating strongly for higher standards through independent third-party accreditation. There are international accrediting bodies that our members have sought out voluntarily, and have sought higher standards than those of the children's aid society-operated entities.

We would encourage the government—and I know that that's not really the mandate of this committee—to point out that we are seeking higher standards for our sector, and encourage MCYS and MCSS to adopt independent third party accreditation as a mandatory piece. Thank you very much for your time.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Mark. You've left about five minutes for questions. Laurie?

**Ms. Laurie Scott:** Thank you. I'll just quickly say thank you very much for coming forward. I've met with your group in my office. I can vouch that you provide very good services. I certainly like your presentation. It's moving in the direction I like to see things move in. I know that our finance critic wants to get into the nitty-gritty of the details of the financing with you, but I just wanted to compliment you on the services that you do provide in the area of Kawartha Lakes. I'm representing that, close to Peterborough, so I just want to thank you for that and let Vic, our finance critic, do the details.

**Mr. Mark Williams:** Thank you very much.

**Mr. Victor Fedeli:** Mark, thank you, as well, for the presentation. I wish we had so much more time, because your seven points look to be very well thought out and very well delivered. So thank you for the presentation, and thank you for the service that you perform, as well.

You talked a little bit about MCYS, and the fact that there's a quality of care that can be improved and a saving of \$100 million. Why do you think that that hasn't been done?

**Mr. Mark Williams:** That's a question that we get asked a lot, and we honestly haven't come up with an answer that we can prove definitively. As I mentioned, the children's aid societies initially had a mandate of protection and adoption. Over the decades, they've been allowed to expand that into quite a substantial operation that includes residential programs and foster care programs, well beyond what the initial mandate was. I think that, once that's developed, it's pretty hard to change, and it would take a substantial change in culture at the children's aid society level to fix that.

**Mr. Victor Fedeli:** The Niagara example that you use is quite remarkable. You're talking about a savings of \$1 million to \$1.5 million. That's one program in one community—one CAS, as well. Is this the kind of number that you think would reoccur in others if this were replicated elsewhere?

**Mr. Mark Williams:** Yes. We see—

*Interruption.*

**Mr. Mark Williams:** The \$50,000 a year per child—the number is actually low, because they're keeping the building and they're repurposing it. That doesn't even include the operational costs to operate the structure, or the capital costs, so \$50,000 a year is a low number.

All the numbers that we've seen about developmental services—the number is quite similar. We would see that as a savings—a number that could be used, going forward, for sure.

**Mr. Victor Fedeli:** A second one on the MCSS: You talked about the fact that there's no capital expenditure as well. That's a considerable advantage.

**Mr. Mark Williams:** That's correct.

**Mr. Victor Fedeli:** That's a considerable advantage in this program. Does that replicate on the MCYS model as well?

**Mr. Mark Williams:** Yes. Our per diem is all-inclusive of capital. It's the responsibility of the operator to manage and purchase and look after the building.

**Mr. Victor Fedeli:** What do you think capital expenditures would be traditionally? The model that we're operating today under MCYS and MCSS: What do you think they're spending on capital? Have you got any idea? Is this something that you've investigated? Is it in the hundreds of millions?

**Mr. Mark Williams:** Oh, yes. Yes, I would say \$100 million would be a valid number, but it isn't something that we've looked at definitively.

**Mr. Victor Fedeli:** Probably a good argument for you to investigate the capital expenditures that have been made or are planning to be made that would not have to be made by the government. It might be an interesting angle for you.

**Mr. Mark Williams:** Yes.

**Mr. Victor Fedeli:** You had seven points. What have we got—a minute left?

**The Chair (Mr. Kevin Daniel Flynn):** You've got just under a minute.

**Mr. Victor Fedeli:** Of those seven points that you couldn't—

**Ms. Laurie Scott:** Doug.

**Mr. Victor Fedeli:** Oh, Doug's going to ask you a question.

**Mr. Douglas C. Holyday:** I'm pleased to see your train of thought. At the city of Toronto, we were looking at matters, and what we were trying to do was get independent consultants, if you like, to take a look at the situation on service delivery and review how we do it to see if we could come up with efficiencies, just like you're speaking of. It might be that just because something is done the same way that it has always been done, it doesn't necessarily make it the right way. It's not to be anti-anybody, but we should review the services periodically. I think it's time we did it. Now I'm going to try to propose a member's motion in the House in this respect and, hopefully, get the support of all parties to review service delivery to see if we can't do things better. I think that what you're proposing here is one of the things that could be looked at.

**Mr. Mark Williams:** I think—

**The Chair (Mr. Kevin Daniel Flynn):** You're just going to have to leave it there, unfortunately.

**Mr. Mark Williams:** Okay. Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much for coming this morning. I appreciate it.

**Mr. Joe Dickson:** Mr. Chair, can I ask a question through the Chair?

**The Chair (Mr. Kevin Daniel Flynn):** About what?

**Mr. Joe Dickson:** Just one of the issues raised by the gentleman.

**The Chair (Mr. Kevin Daniel Flynn):** No, I'm afraid not, Joe, unfortunately.

**Mr. Joe Dickson:** Well, then, through you to the Clerk, could I ask the Clerk to contact Mark? I would love to see more information and attach to—

**The Chair (Mr. Kevin Daniel Flynn):** Okay, that's fair.

**Mr. Joe Dickson:** —that comes forward in reference to the potential change of culture in CAS, under a recap. Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Anything else you have, Mark, that you'd like to send us, Mr. Dickson and the rest of us would like to have it.

**Mr. Mark Williams:** Okay. Thank you very much.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Joe.

#### KAWARTHA CHILD CARE SERVICES

**The Chair (Mr. Kevin Daniel Flynn):** Okay, let's move on to Kawartha Child Care Services. Sheila Olan-MacLean, the executive director, is with us. Come forward, Sheila. Make yourself comfortable. Fifteen minutes, like everybody else: Use that any way you see fit. If there is any time at the end for questions, it will come from the NDP.

**Ms. Sheila Olan-MacLean:** Good morning, everyone. My name is Sheila Olan-MacLean, and I'm the executive director of Kawartha Child Care Services. Our headquarters are in Peterborough. However, we serve over 1,000 families and children in the city of Kawartha Lakes, the city and county of Peterborough and the region of Durham.

If you look on the back of the folders that I have given you, it details our mission statement, which is that we are "a progressive, non-profit organization where adults and children work collaboratively to provide excellence in early learning and care. The richness and uniqueness of our learning environments are an invitation to discover together the joy of learning."

We have a vision of a place where children are treated as citizens of today. I think we talk a lot about citizens of tomorrow, but really, they're citizens of today and they deserve the respect of us today. We also have a vision where the principles of democracy are how we work day-to-day in our classrooms.

0920

I'm here today to focus on recommendations for building a quality, accessible, affordable early learning and child care system in Ontario. I want to say that we're well on the way. We've built some foundational kind of things in our province, and we want to build on those.

The economic and social benefits of quality child care have been well documented, and I'm not going to go into those today except to highlight that we have lower poverty rates, higher employment, higher school achievement, brighter outcomes as adults and less delinquency

and incarceration as outcomes. In addition, we can look at the parent outcomes for today: They are less stressed, they're more attentive at work, and they make more money. These are all things that are good for our economy and good for our province.

All of these achievements are in a system that, when the financial records were analyzed in Quebec, actually made the province money in higher taxes due to people working and paying consumer taxes. So there are lots of good reasons for developing our system.

The province of Ontario has taken steps in recent years that I wish to acknowledge and applaud you for. The recent introduction of the Child Care Modernization Act promises to recognize the importance of early learning and child care and set the foundation for a cohesive, modern system that we can be proud of. The act sets out principles of care that honour children and families as capable and competent and provides a framework to establish Ontario's position not in last place, as it is now, but as a world leader in early learning and child care. This is indeed progress.

In the budget deliberations last year, the Liberals and the NDP negotiated an agreement for funding with the aim to stabilize child care. As a child care operator in this province, I can say that it has been successful. In 2014, we will see more fee subsidy available to families in financial need. We will also see higher operating grants that will help us to increase staff wages, address health and safety concerns, and stabilize our parent fees. This has helped, a little. It has stabilized a system that was at risk. However, there are some steps and funding that need to be provided and that need immediate and vital attention. I'll go through those.

The first area is wage equity for all RECEs in Ontario. Full-day kindergarten has increased the demand for registered early childhood educators in Ontario. This, of course, was a welcome circumstance for our professionals. Another welcome outcome was that school boards actually received funding to meet the pay equity wage threshold. As a result, RECEs are hired in the full-day kindergarten programs, and they make an average of \$25 an hour. Their counterparts in the early learning and child care field are making less than \$17. Imagine the challenge of recruiting RECEs for lower wages, more hours and fewer benefits. This discrepancy is affecting our programs. Child care programs are finding it increasingly difficult or impossible to recruit registered early childhood educators. Because of the lack of supply staff, our supervisors are often working in classrooms to meet ratios. This in turn affects other aspects of their responsibilities, such as accounts receivable. With child care rates reaching unaffordable limits and family incomes actually decreasing, this has a spiralling effect on our programs and on the financial viability and sustainability of even the most vibrant and healthy organizations, such as Kawartha Child Care Services.

My recommendation for your consideration today is that the province of Ontario provide funding to child care programs to address the inequities in wages created with

the introduction of full-day kindergarten through direct grants aimed at increasing RECE wages.

The second issue that I wish to bring to your attention is rent for child care programs in schools. "Schools first" has been a principle of many government initiatives for early learning and child care over the past eight years. Initially, the community-use-of-schools funding which was provided through the ministry of recreation and tourism to school boards was used to offset the cost of keeping the schools open for longer hours. This funding paid for custodial staffing and utility costs that resulted from having child care open from 7 a.m. to 6 p.m. This practice began to change about five years ago. While other community programs continued to be able to have space free of rent, child care programs started to be charged for rent. Some of this rent is a nominal fee and certainly is affordable; other school boards are actually charging upwards, towards commercial rates.

The rent issue has caused dissension in the child care-school relationship as child care programs struggle to meet the new expense of an already overburdened budget. Just at a time when we're thinking, "Oh, we could increase our staff wages; we can stabilize our fees for families," then we get a new set of costs.

My recommendation for your consideration is that the province increase funding to school boards to cover the cost of custodial hours and utilities required for keeping schools open longer to accommodate the child care hours of care.

My next recommendation has to do with accountability for the new funding formulas and the new funding that's available through the municipality and the school boards. The new funding formula, implemented in 2013—again, another positive change to funding in early learning and child care. The complicated and cumbersome funding formulas are gone and we have a streamlined funding model that allows municipalities to engage in planning, developing and implementing early learning and child care according to the needs of their community.

School boards also receive some funding for early learning and child care. The child care capital retrofit funding provides funds to support child care programs to make renovations, retrofits, and to purchase toys and equipment required for younger age groups. This is in schools as full-day kindergarten is implemented in that school.

The transition to the child care system is enormous. We are forging new partnerships and agreements with municipalities and school boards. During this time of instability and change, transparency is particularly important to build confidence and trust that the funding is indeed going to families and children, and building a stronger, more healthy, vibrant child care system.

My recommendation for your consideration today is that the province requires municipalities and school boards to publicly account for the spending of funding allocated for early learning and child care.

The argument for a quality child care system is well documented. It's time for Ontario to invest in its young-

est citizens. Many young families feel disconnected from our political system, and fewer and fewer are voting. Is it any wonder, as they struggle day to day, as I get the phone calls saying, "How am I going to go to work on Monday? I have no child care for my children. There is no safe and healthy place for my child to be"? We know the newspapers are full of sad, sad stories that have come to light in the last two years about not having regulated, licensed, quality child care available for our families. This is an opportunity for our politicians to demonstrate that the political system is alive and well and is relevant to those families' lives.

Thank you for the opportunity to speak with you today.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Sheila. Thank you for coming. Thank you for the presentation. The NDP is going to ask you some questions. They've got about four minutes.

**Mr. Michael Prue:** Thank you very much. In four minutes—there was some considerable discussion in the last couple of years, because of the advent of all-day kindergarten, that the child care centres were being destabilized. Has that been remedied, or is that ongoing?

**Ms. Sheila Olan-MacLean:** It is ongoing. One of our biggest hurdles right now is to be able to recruit registered early childhood educators. Certainly with an \$8-an-hour discrepancy in the wages, that continues to be an issue.

We in the child care field do not—I mean, we support full-day kindergarten; we think it's a wonderful program. We do believe that it's going to change the culture within our schools to support them in honouring children and respecting the dignity of children. So we are in favour of full-day kindergarten.

0930

We are also in favour of honouring—we know that children between the ages of zero and three—those are the most formative years. Those are the years when we can really make a difference in the trajectories and the outcomes for children and for families.

I think that the reports now are really coming out and saying, "This isn't just good for tomorrow; this is good for today. This is what we should be doing today for today's economy, for today's families, and it will help Ontario to be vibrant, prosperous and healthy."

**Mr. Michael Prue:** I understand the \$8 discrepancy and how bad it is for you in recruiting, but \$8 an hour is about \$300 a week, or \$15,000 a year per early childhood educator. How many early childhood educators are there out there who don't work for the school board making \$25 and who make about \$17? How many are there? This is the finance committee; I'm trying to get my head around how much this is going to cost.

**Ms. Sheila Olan-MacLean:** Yes, and I don't have the number across the province. I know that at Kawartha Child Care Services, we have about 150 registered early childhood educators.

**Mr. Michael Prue:** So, just for Kawartha, we're looking at a couple of million dollars.

**Ms. Sheila Olan-MacLean:** Yes.

**Mr. Michael Prue:** All right.

**Ms. Sheila Olan-MacLean:** And it's worth every penny.

**Mr. Michael Prue:** It probably is. Now, the question that we struggle with every day is, the government has an \$11-billion deficit that doesn't have any signs of disappearing soon. We have to come up with ways of either finding the money within the system or in increasing taxes, I guess, or finding revenues in some other source. How do you propose we find that \$2 million for Kawartha?

**Ms. Sheila Olan-MacLean:** At Kawartha Child Care Services, we have to make business decisions every day, so we have to kind of weigh what an investment is and may take 10 years to realize the real benefits. And sometimes we have to say, "No, this isn't going to be worth it." Early learning and child care is one of those projects that I think, traditionally—because young children don't vote, and actually, we know that families don't vote; people with young children don't vote—we have sort of set early learning of the zero to three-year-olds aside.

I think it's time now, and I think we've got the studies that show that the investment pays for itself. The investment isn't just that we are going to honour children and families right now; it means that in the future we are going to be saving much, much more than the \$1 billion that it will cost.

**The Chair (Mr. Kevin Daniel Flynn):** Sheila, thank you very much for coming today. We appreciate it.

**Ms. Sheila Olan-MacLean:** Thank you so much.

#### PETERBOROUGH COUNTY-CITY HEALTH UNIT

**The Chair (Mr. Kevin Daniel Flynn):** We move on to our next delegation. From Peterborough county, the city health unit: Rosana Pellizzari. If you'd like to come forward, Rosana. Make yourself comfortable.

**Dr. Rosana Pellizzari:** I have brought handouts.

**The Chair (Mr. Kevin Daniel Flynn):** Fifteen minutes, like everybody else. If you can save some time at the end for questions, it will go to the government side this time.

**Dr. Rosana Pellizzari:** Thank you. It's a pleasure to be here. I was going to start by speaking to the first slide in your handout.

The 2014 provincial budget provides an opportunity to invest in a wide range of social determinants of health, like education, housing security—we heard about child care as being one—income and employment supports. These investments have important implications for the health status of our population, particularly for our most disadvantaged and vulnerable populations. Wise investments and budget decisions can improve health equity and health outcomes in Ontario and potentially reduce health care spending, which consumes over 40% now of provincial revenues.

I urge you to adopt a health-in-all-policies approach as a lens in developing the 2014 budget. This means considering the impact that all government policies and actions have on the health outcomes of Ontarians.

A good example of an issue with broad public health implications is the development of casinos and the proposed expansion of gambling in our communities.

Before I go on with my presentation, I do want to just take a moment to recognize that the Ontario Lottery and Gaming Corp. does provide revenue that supports, for example, the Ontario Trillium Foundation, and we are local beneficiaries of that. Despite that, I think public health is concerned that the dependence on gambling revenues to address provincial deficits does more harm than good.

I'm now going to speak to the second slide. Gambling is a problem for us in Peterborough. Because of our population being small, I don't have good data for you from Peterborough, but I can share with you Ontario data, which is on this slide. We know that the percentage of adults in Ontario who have gambled at least once in the previous 12 months is 66%; here in Peterborough, it's more like 74%.

The percentage of adults who are at low to moderate risk or who are problem gamblers—when we take that data from the community health survey, we get figures that are about 3% for Ontario. For Peterborough, it's anywhere from 2% to 5% because of our lower numbers. Studies show that between 1.2% to almost 6% of gamblers do have a gambling disorder, and we certainly are concerned about local data.

A Trent University professor has found that about 7% of our younger adults—that's 18-to-24-year-olds—are experiencing moderate to severe problem gambling. In fact, gambling has become a rite of passage for many young people, just as bingeing has also become a sort of rite of passage, so we are very concerned about the impact on our younger adults.

The next slide summarizes for you the at-risk population: problem drinkers, those who use alcohol, seniors, youth—First Nations people have four times the risk of gambling disorders, and casino workers have three times the risk, but the commonality between all of these groups is that a greater proportion of people experiencing low income are at risk for both greater financial risk-taking and problem gambling. This is a problem that disproportionately impacts lower-income Ontarians, so there really is an issue of health equity here.

The next slide is to remind us that there are health costs to the individual and to families. We know that 75% of problem gamblers reported gambling as the cause of financial problems for their families. This is an intergenerational problem, in that we know that children of problem gamblers are more likely to use tobacco. We all know what tobacco costs the province. Tobacco is the only legal substance that kills 50% of its users. These are children who will use more alcohol or drugs, develop psychosocial problems, and experience educational and emotional challenges. Children of problem gamblers are

also at greater risk of becoming problem gamblers themselves.

The next slide gives you the price tag on that. We have estimates that one problem gambler costs us anywhere between \$20,000 to \$56,000 per year in Ontario, and that's really when you combine both the health costs and the social costs of gambling. In contrast to that, only 1.5% of the revenues generated by gambling are directed to prevention, treatment and research; that's \$54 million. So, certainly in our opinion, inadequate amounts are being directed to cope with the problems being generated by this reliance on gambling.

In addition, like other mental health and addiction disorders, very few gamblers actually seek treatment. We know about the impact of stigma on causing reluctance for people to present themselves for treatment. No matter what we do as far as funding treatment, there is still this problem that the majority of people will not seek it.

0940

The next slide: As far as the impact on broader social health issues, Toronto Public Health recently has summarized the potential impact of relying on casinos for income generation, and in fact they have concluded that the potential predicted change in the impact of casinos is for the most part negative. Certainly, we would support that here in Peterborough.

If I could just ask you to move to the next slide. So far, the board of health here in Peterborough has taken actions. We have shared our own report with our municipalities and our First Nations. But they very much have said that this is not a municipal problem and we don't want municipalities fighting each other to get the crumbs off the table of revenues from gambling, that really this requires provincial attention, which is why I'm here today. We have written to Premier Wynne and Ministers Sousa and Matthews asking that the government reconsider its position on expanding gambling throughout the province as a revenue generation strategy.

The next slide documents the fact that we are asking that the province, and this is maybe not so much a financial strategy but really a broader one—that the OLG be required to implement stronger harm reduction policies and criteria, including the use of tools such as a casino social contract that would hold host municipal governments, casino operators and the province accountable for the adoption of measures and strategies to prevent or mitigate the increased harm that would arise from enhanced gaming access.

The next slide chronicles the fact that we have sent a letter to Paul Godfrey, with copies to the Minister of Finance, advocating for a greater proportion of provincial revenues to be directed to prevention, treatment, research, and a public awareness campaign to reduce the stigma of gambling addiction and increase the numbers of people who would actually seek assistance.

The next slide is, again, just to make you aware that we did support a provincial—our sector is represented by the association of public health agencies; they represent boards of health. In 2013, we did pass a resolution that

was introduced by Toronto Public Health calling for the province of Ontario to refrain from the expansion of gambling availability as a way to generate revenues.

The next slide speaks to the issues of access and proximity. There's lots of research to show that when more casinos are opened, proximity to casinos will actually result in an increase in gambling activities. We have evidence from Niagara Falls, where there was a doubling in the access to a casino there when it opened. A similar increase is seen in Sarnia, Sault Ste. Marie, Brantford and Thunder Bay, and evidence from as far away as New Zealand shows that people who live the closest to the casino are more likely to gamble. So this is not a tourist attraction strategy; it hurts people who live closest to these facilities.

Finally, just to summarize, problem gamblers account for a third of the gaming revenues in Ontario and two thirds of the revenues from slot machines, yet they are only 3% of our population. Obviously, these revenues are being garnered at the expense of the poorest of our populations.

In addition, problem gambling costs us anywhere from \$20,000 to \$56,000 per year in health and social costs per gambler. I'd say that this is very similar to the problem that increasing sales of alcohol to generate provincial revenues would cause. It's the same pitfalls, the same harms.

Applying a health-for-all policy or doing a health impact analysis on these types of strategies is recommended as a tool to prevent short-sighted strategies being adopted that actually cause more harm than good.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Rosana. We've got about three minutes for questions. Dipika?

**Ms. Dipika Damerla:** Thank you so much for coming today. It was a very interesting presentation, and I learned a lot.

I was just wondering, because I know you spoke about the fact that your board does take some actions to mitigate the problems encountered by problem gamblers: Could you just walk us through some of the key measures you take to help them?

**Dr. Rosana Pellizzari:** Public health has a limited impact on some of these broader public health policies such as transportation, energy use, gaming. What we can do as public health is we can monitor and report on the problem and certainly report on the health impacts, which we have done. These slides were slides that we generated when we created our report, and we shared that report publicly.

In addition, we can advocate with our municipalities, which, again, we have done. Our municipalities have said, "You know what? It's really not a municipal problem. This problem is provincial." It's provincial because there was a provincial policy decision that was made to increase access to gambling as a way to generate provincial revenues. Because of that, we have been advocating provincially. I've showed you what we've done to date.

We're a small board of health. We have limited resources. We've done what we can. We've joined with our colleagues across the province, calling on the province. Coming here today is another part of that work. But really, this decision is yours to make and not ours.

**Ms. Dipika Damerla:** Actually, I was looking for some clarification on the services you provide through the funding through the Trillium Foundation.

**Dr. Rosana Pellizzari:** We as a board of health are not eligible for Trillium funding, so we don't receive Trillium funding and we don't use any of it locally, but we are parts of coalitions that do receive. You are about to hear, for example, from the Peterborough Poverty Reduction Network, a wonderful community initiative. We are partners in that, and we work very closely with other partners to look at opportunities and strategies to reduce poverty in our local community. There is funding from Trillium that supports that work.

There's other Trillium funding. Just last night, I was part of—we have a group of medical professionals who meet to advise us on what to do about local opiate use. We have a large proportion—this is, or the most part, an iatrogenic problem that was caused by Big Pharma marketing OxyContin and selling it to providers. We're now coping with that, and I know that some of our anti-stigma money is coming through Trillium.

There are lots of examples where Trillium is able to support us, which is why I said—I know we rely on Trillium for some of that funding, but when we look at the bigger picture, we have to really be careful about expanding the reliance on gaming revenues to fund some of this work.

I would say that fairer taxation is a better strategy, and I'm speaking as a physician. I earn a good income in the province, as do my colleagues. We have a group called Doctors for Fair Taxation. There's Lawyers for Fair Taxation. And we've been advocating that one way to increase revenues is to look at having a more fair income tax system in Ontario. It's essentially a flat tax rate once you get into the high-income brackets.

*Interjections.*

**The Chair (Mr. Kevin Daniel Flynn):** I'm getting some complaints from one side of the room that we're going a little bit over time—

**Dr. Rosana Pellizzari:** Oh, sorry. I will stop talking.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much for coming.

**Mr. Douglas C. Holyday:** Mr. Chairman, it's not really a complaint, but I think just to have fairness with our deputations here, we have to have the same rules for them all, and I noticed that at the start they were cut, and then all of a sudden it's getting longer and longer.

**The Chair (Mr. Kevin Daniel Flynn):** No, what I'm trying to do is let people finish their sentence, and some people use—

**Mr. Douglas C. Holyday:** I appreciate that.

**Mr. Michael Prue:** It was a good, long sentence.

**Dr. Rosana Pellizzari:** Thank you, Michael.

**The Chair (Mr. Kevin Daniel Flynn):** Some people use run-on sentences. Thank you very much for coming today.

**Dr. Rosana Pellizzari:** My pleasure. Thank you for your time.

#### PETERBOROUGH HEALTH COALITION

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation this morning is from the Peterborough Health Coalition: Roy Brady. Roy, if you'd like to come forward. Make yourself comfortable, Roy.

0950

**Mr. Roy Brady:** All right. What do I press?

**The Chair (Mr. Kevin Daniel Flynn):** It'll operate itself.

**Mr. Roy Brady:** Oh, will it? I just have to open my mouth?

**The Chair (Mr. Kevin Daniel Flynn):** You just have to speak.

Like everybody else: 15 minutes. Save some time at the end, if you can, for questions. The questions will come from the Conservative Party this time.

**Mr. Roy Brady:** All right. Thank you, Chairperson, committee members and very special guests behind me. I do thank you for the 15 minutes—I was expecting 10—and I do thank you for coming to Peterborough. You were here last in 2004, and I remember appearing at that particular time.

Now, this particular committee would be interested in the spending, not spending, when you spend it and where it is needed. I'm glad that I'm speaking to three parties who are all interested not only in winning the next election, but should be co-operating and directing Ontario the best way they can.

Peterborough Health Coalition is a chapter of the Ontario Health Coalition, which is to protect and enhance the public health care system and to get as much active community engagement as possible throughout Ontario. So the Peterborough Health Coalition is a chapter of that, and we do a fair amount of work in the community. We're very much concerned about the Peterborough area and, of course, work on provincial issues, which is one of the things I'll do today.

We do feel, at this time, and probably for quite a few months, that health care issues have not been on the table in Ontario. I'm going to try today to at least to get one of those issues on.

I'm going to refer to a new Ministry of Health plan that has come out, and I feel it is going to be implemented fairly shortly, say within six months. It's been very rushed, and it really needs highlighting. So we'll start with this committee right here. If there's time, I'd just like to provide some direction as a private citizen on three other matters within the 15.

This particular one here is a transfer of surgeries that are supposedly of lower risk from the hospitals into specialty clinics elsewhere. Now, that sounds like an attractive idea. We could all probably—

*Interjection.*

**Mr. Roy Brady:** Yes, I do need this.

That sounds very attractive, but, unfortunately, I think there are problems here, and I want to address those today. A couple of regulations—regulatory amendments—had been made last month to make the existing style of clinics right now to be health service providers, which they aren't labelled as now. Now, that allows the LHIN to look after it, and the LHIN would supervise it and would fund it. So that is significant in itself.

The ministry would pay what they call facility fees to these particular clinics, and that could be OHIP dollars, which is normal, or it could be something extra. We're very unclear on how that's going to happen. So, obviously, that is an expenditure that you should be worried about.

Progressive Conservatives and the NDP, I think, need to study this particular issue. They have to challenge it. The government and the Ministry of Health record has, in some areas, been unimpressive, particularly when they're involving external agencies. You guys have battled that at the Legislature quite a bit. So it's not a well-known program, and it's been rushed. I hope you pay attention to it.

They want to use what are called independent health facilities—I will refer to them as IHFs—and they do exist. There actually are about 800 of them in various communities. They do exist. They don't do surgeries, at least not at the moment. I personally feel that it is not advisable to use those particular clinics for surgeries because they have tended to become for-profit. The Liberal Party—Deb Matthews, for sure—has said, "No, no. They're not for-profit," but they are, and I'll give you some proof in a few minutes.

The regulatory change would give responsibility to the LHINs, and I know you all have different opinions on what the LHINs should be handling, if anything. But the LHINs do hospitals and they can fund. With these particular clinics, there are going to be new costs. You've got the staff that you've got to bring in somehow, the set-up, the overhead. Really, I don't know if the LHIN can handle this. That's something we need to deal with, so we've got to slow down a bit.

What we are recommending is that surgeries remain under the Public Hospitals Act, instead of providing these IHFs the right to conduct these surgeries. A legal opinion we got said that if it did go to the IHFs, it would not fall under the Public Hospitals Act. The problem with the IHFs is that not only are they private companies, but they are for-profit, and they're weakly regulated. That is something we need to really look into.

Hospitals in the past have handled surgeries quite well. They're well regulated. That's one area where the LHIN has been strict. Their finances, obviously, are scrutinized quite carefully. With the hospitals, you're guaranteed it's not-for-profit. You're guaranteed that the quality control systems are in place. The regulation is tight, and the regulation is not tight with the IHFs; the ones that exist now, as I'll explain in a minute, are not particularly well regulated.

There is a positive change that came out in December. Up until then, hospitals were not allowed to bid. They now are allowed to bid to provide these surgeries perhaps at another site, down the street or whatever. But it would be under the auspices of the hospitals. That we find encouraging.

Problems: The problem for us is for-profit for surgeries. Again, Deb Matthews has said, "No, no, no, these things are not-for-profit." But they are. They are not very well audited. They have some odd billing records, mainly because they're allowed to do that.

Safety is a concern because of the weak oversight by the ministry. I mean, you do have to check as to the radiation doses and extent of radiation if you're running an X-ray clinic. If there's an emergency, it cannot be handled there; you end up transferring it back to the hospital. Cost is a problem: any restructuring—costs, at least right off the bat.

The private companies particularly for surgery would need subsidies. They just aren't going to make a profit. The facility fees could be one way, and we don't know what that's going to be. But we do know that when you introduce for-profit into certain health care things, for example with hospitals, that costs do go up. There are business costs that have to be in; there's a new administration and so on. They're going to have to raise money somewhere, so this could have real budgetary implications.

Also, a ministry study actually did check some of these out and found that one out of five they checked were using unnecessary tools. They were providing services that weren't absolutely necessary and collecting OHIP payments. There has to be that kind of scrutiny.

The Canada Health Act covers hospitals and doctors; we know that. But we don't know, once you move it into the community, what kind of coverage the Canada Health Act can do. I think it should be covered, but it might not be.

I really believe that when the Liberals passed the Ontario Commitment to the Future of Medicare Act, 2004, that was to stop this, to stop the idea of fees, which tend to limit access. That's another way the for-profits can raise money.

Another fear is the dismantling of hospital services, which can become very, very, very important in the smaller rural areas. I know that's a concern of the Progressive Conservatives because that's where a lot of their votes come from. This could be very harmful to some of the smaller rural hospitals.

The Ontario Auditor General in 2012 reported on these IHFs, the existing ones, and found—there were 825—that 97% of them were for-profit, even though Deb Matthews has said, "No, no, they're not." Professional fees were being charged. It can lead to queue-jumping, where some people will pay the fees and not go to a hospital, say, 100 kilometres away. They're not tracked. They're not audited. That was brought out by the Auditor General; you can look that up.

Profit tends to be the problem with the surgeries bit. Profit can be arranged for other services. Otherwise,

these IHFs aren't going to do it; they're not going to do it unless they can make money out of it. There's the charging of fees, the extra subsidies and a relaxing of conditions to less, perhaps, than what the hospitals do, and conditions do exist hopefully right now. They'll do the simplest, highest-volume ones; that's only a smart business case. We're concerned about where the Ontario health care system is going if this kind of a system comes roaring in.

We also want to know whether the initially not-for-profits would actually stay that way. LHIN legislation from six years ago allows for the transfer of not-for-profits into for-profit companies, but not the reverse; it's in the legislation. We oppose that for that reason.

Will the IHFs just get OHIP payments, or will there be other money coming their way which they may plead for?

Canada Health Act protection in hospitals is there. It's unclear when it gets out in the community; I've mentioned that before already.

**1000**

I'm also concerned about seniors, who will need the surgeries more so than other sections of the population. That's where the demand is going to come from. A lot of their needs are acute care. A lot of their conditions are multiple and complex. A hospital would be a better place for that. The people have paid taxes for decades. Why should they pay a fee for health care?

In conclusion on that, please, all three parties, be very vigilant about that. Challenge it where you feel there's a problem. Keep Ontario health care not-for-profit. We've got to be very concerned about for-profit growth in our health care system. We're concerned about the lack of public consultation—and maybe people at this table have not been consulted on this—and there is a fear that a number of health ministry projects have gone awry because they've been providing a lot of trust to external agencies where there has been poor oversight. I'd think you would agree on that.

How much time have I got left?

**The Chair (Mr. Kevin Daniel Flynn):** You've got just over three minutes.

**Mr. Roy Brady:** Oh, dear. I'll just make a couple of comments on other things. I don't have to make a reference to Ontario Lottery and Gaming; that has been done.

I am concerned about poverty. Discretionary benefits, which we in Peterborough call "necessary benefits," were slashed two budgets ago. That was a direct attack on the poor, who could not defend themselves. Please restore those benefits. It's fair play; it's social justice. What happened was that the provincial poverty reduction policy that came out a few years ago has just been thrown away. That's not what you should be doing. Austerity has been very harmful.

I also want to make a comment about mental health. There was a very impressive Ontario committee report a few years back, a mental health commission. It has just been forgotten. There's a major problem in Peterborough regarding treatment and capacity. It is really serious.

Several of us have appealed to our MPP, Jeff Leal, and to the Premier directly, and we got responses to go to the LHIN to see if we could settle it there. But it's a real problem here. We expect some provincial direction and a re-energizing of this particular thing. It's directly related to housing and health care.

I'll stop there. I had a couple of other things to say, but some people might want to ask questions.

**The Chair (Mr. Kevin Daniel Flynn):** There's probably time for a couple of questions. You've got just under two minutes. Laurie? Vic?

**Ms. Laurie Scott:** Thank you for coming and highlighting some of the concerns that you have. Certainly there was concern about the discretionary benefit-cutting. I think we had a lot of discussion up in Haliburton-Kawartha Lakes-Brock about it. Some of the councils came to the table; some weren't able to fill the gap. But you're right, we didn't support that.

I had a couple of questions. For example, everyone knows the Shouldice clinic, right? Can I ask you how the Shouldice clinic fits into what you were just saying about the independent hospitals?

**Mr. Roy Brady:** The Shouldice was a grandfathered private hospital. You just can't form those things now.

**Ms. Laurie Scott:** Yes, yes.

**Mr. Roy Brady:** Okay. They did actually make a profit. Their way of doing that, we found out, was that for part of their treatment, they would insist that you stay overnight for a number of days; being a hospital, you can do that. Then they would charge, whether it's an insurance payment or an out-of-pocket payment. That's where they were getting their profits, because all they received otherwise from the government was an OHIP payment. So they were able to make money on that.

**Ms. Laurie Scott:** But you don't agree with that, that they should exist. The Shouldice, for example, shouldn't exist and make profit.

**Mr. Roy Brady:** No, I don't. No.

**Ms. Laurie Scott:** Okay. It does fill a lot of gaps in the system and they do provide good care. I don't know what profit they make or anything like that.

How much have I got?

**The Chair (Mr. Kevin Daniel Flynn):** Thirty seconds.

**Ms. Laurie Scott:** Okay.

**The Chair (Mr. Kevin Daniel Flynn):** And if you go over, Doug will be all over you.

**Ms. Laurie Scott:** What can I ask in all that?

How do you feel the LHIN is looking at this? They oversee the hospitals, so why don't you think they could oversee this?

**Mr. Roy Brady:** I think they're overburdened. We argued a number of years ago, when the LHIN legislation came out, that their number one purpose was to be a buffer zone for the government. In other words, if the government had rather difficult, controversial things to do, the LHINs would look after it, and that would dismiss complaints against the ministry.

*Interjection.*

**Mr. Roy Brady:** Yes. There was a problem there. I also found that the LHINs were supposed to be engaging the public, and they don't. They engage the health agencies or social agencies, who are there to receive funding. They don't talk to people. In fact, that has even been omitted by a couple of LHINs.

There's definitely a problem with LHINs doing that. You'd have to want to expand the role of the LHIN to do these specialty clinics, the way it's been set up.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much for coming, Roy. We appreciate your time.

#### PETERBOROUGH POVERTY REDUCTION NETWORK

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation this morning is from the Peterborough Poverty Reduction Network. There are two in a row here, I notice. Diane?

**Ms. Diane Therrien:** Hi.

**The Chair (Mr. Kevin Daniel Flynn):** And you're being followed by Tara-Lyn? Is that right?

**Ms. Diane Therrien:** That is correct, yes.

**The Chair (Mr. Kevin Daniel Flynn):** Are you doing it individually?

**Ms. Diane Therrien:** Yes, we are.

**The Chair (Mr. Kevin Daniel Flynn):** Okay, super. The floor is yours. Use it any way you see fit. You have 15 minutes. Your questioning will come from the NDP this time.

**Ms. Diane Therrien:** Great, thank you. Good morning, committee and audience members. You'll notice that I don't have a handout for you, but I will be submitting a written submission expanding on some of what I'm going to say.

My name is Diane Therrien. I worked in the Ontario public service as a policy adviser for a year and a half before resigning to pursue my current employment as a facilitator of community education and engagement with the Peterborough Poverty Reduction Network. As such, I am keenly aware of the fiscal challenges that are routinely highlighted by the government. However, despite these challenges, it is imperative to think about the big picture and the well-being of Ontarians in general when contemplating what to include in the upcoming budget.

Perhaps the most pressing challenge in Ontario is the continuing rise of income inequality being fuelled by, among other things, high levels of individual debt, particularly among students, a lack of secure and meaningful employment, and a tax system which favours the well-off at the expense of the collective well-being of our province. I will speak about each of these interconnected points and end with a series of questions for you to ponder.

In December 2013, the federal Standing Committee on Finance released a report entitled *Income Inequality in Canada: An Overview*. This report highlighted the trend that the wealthiest among us have had their incomes rise

over the last two decades, while the poorest among us have had our incomes fall. The report noted research that show that higher rates of income inequality are positively correlated to higher rates of poverty, and it is well known that poverty reduction is a vital component of a healthy society.

In the current day, post-secondary education is nearly always a required tool for people seeking employment. However, pursuing post-secondary education is increasingly expensive and seems to be an unreachable goal for many low- and middle-income Ontarians. Our province has the distinction of having the highest university tuition rates in Canada, with the rates here tripling from \$2,500 in 1991 to over \$6,000 in 2013. These rates are projected to rise to \$8,756 by 2017. For those pursuing college diplomas, tuition is now roughly \$2,400 per year.

Any post-secondary program, in college or in university, will also cost roughly \$1,200 a year for books, leading to an additional \$4,800 cost over the course of a university degree or college diploma.

Due to these astronomical rises, students, even those who work throughout their university career, as I did, are forced to take OSAP loans, which are paid at usurious interest rates. Potential students from working-class families are increasingly giving up the idea and the prospect of attending college or university altogether, as their families cannot afford the tuition fees, and the prospect of incurring thousands of dollars of debt is overwhelming. This leads to limited employment prospects, increased intergenerational poverty and a decreased sense of social cohesion and belonging.

For those who do graduate in this economic climate, students of all disciplines are finding it more and more difficult to secure adequate employment. While college graduates are slightly better off than their university counterparts due to the more practical nature of their expertise, even those with highly transferrable skills find themselves unable to secure permanent, full-time employment. I saw this happen in the OPS; I know people who have been on contract there for sometimes years, with no benefits, and that is something that's happening broadly across all employment spectrums.

The rise of part-time, precarious work, and the government's complicity in allowing this to happen, has made the economic prospects for all Ontarians dire. While we are told that a university or college degree is imperative in finding a job in today's economy, the reality is that many of us are graduating from post-secondary with thousands of dollars of debt and a shrinking job market.

The broader attack on workers' rights and collective bargaining is another issue, one which I could spend much time talking about. However, I will say that there are numerous studies which show that organized workers have healthier working environments, that the presence of unions helps to bring wages up for non-unionized workers, and that collective bargaining helps secure a higher standard of living for society in general. I'm not saying that unions are perfect—indeed, I know that there are many problems with them—but the current assailing

of workers' rights is frightening and contributes to the rise in unstable, minimum wage work that plagues not only the young but increasingly all ages in Ontario.

These factors align to prevent Ontarians from fully participating in their society. It prevents people across generations, but particularly young people, from finding full-time, fulfilling employment with benefits. It makes having a family and owning a home dreams that must be ignored or financed by incurring additional debt, and it ultimately prevents people from participating in society and investing in their local economies.

**1010**

The provincial government must work together across party lines and election hopes for the betterment of the people in this province. Restructuring the tax system by adding an additional tax bracket for those who make over \$250,000 a year and revoking corporate tax cuts would provide enough funding to reduce tuition rates back to 1990 levels with money left over to invest in the health and social services that have long been fundamental to this province's positive development.

The government, both the party in power and the opposition parties, must also have a serious discussion about how to implement a living wage in this province. While I understand the argument that this will take a toll on small businesses, the majority of minimum wage workers are employed by large multinational corporations who can absolutely afford to increase the compensation they pay their employees. Revoking corporate tax breaks would also provide funding to help small business owners top up the wages that they pay their workers.

The government must be willing to stand up and stop capitulating to the will of corporate powers. Working across party lines to secure a sustainable living wage for Ontario workers, we will be able to invest in the social well-being of people in this province and to build a better future for all. In addition, you must advocate the federal government to invest in the well-being of its people through quality programs designed to help improve the health, education and employment prospects for all.

I ask you, then, as individuals to consider how in your parties, as well as in your day-to-day pursuits, you are positively contributing to the lives of people in Ontario. What are you doing to ensure that good-quality employment is being made available to people across Ontario? Are you concerned with the well-being of everyone in this province and their children? If not, how can you work towards this goal? If so, I ask you to please work together to invest in preventive measures to stem the tide of this problem, because if income inequality and poverty levels continue to rise, the problem will spiral out of control and become even more expensive and difficult to challenge down the road. The negative impacts that are already being felt in our communities today will become even more devastating.

Thank you, and I would be happy to take any questions.

**The Chair (Mr. Kevin Daniel Flynn):** That's great. Thank you, Diane. You've left quite a bit of time for questions: about seven and a half minutes. Mike? Jonah?

**Mr. Michael Prue:** Jonah will go.

**Mr. Jonah Schein:** Thank you so much for coming in and for your presentation. I'm wondering about what the realities are on the ground that you see here in Peterborough. We just passed the five-year marker on the Poverty Reduction Strategy. We saw the numbers released recently. It looks like the strategy stalled a few years ago when we stopped making investments in things like the Ontario Child Benefit and when the minimum wage was frozen. What are you seeing here in Peterborough?

**Ms. Diane Therrien:** We're seeing a broad range of issues. Some of them have been touched on—everything that you're going to hear today, I would argue, is interrelated. In terms of on the ground, the cuts to discretionary benefits have been particularly hard-hitting for a lot of families. We've seen an increased reliance on food banks. We've seen more and more people having difficulties financing housing, and you'll hear more about that from my colleague Tara-Lyn, who will speak next about the need to invest in affordable and geared-to-income housing.

We know that children that aren't getting healthy food in the morning because their parents have to choose between rent and buying food are doing less well in school. Then that leads down the road to perhaps not graduating from high school, not pursuing post-secondary, and ultimately limiting their employment prospects in the long run.

We also know, through the social determinants of health framework, that people who are living in poverty have worse health outcomes. They're more likely to rely on health care services, which ultimately leads to higher costs for the province and the taxpayers. There's a myriad of issues that are all interrelated. But the bottom line is that investing in people and providing a wide range of programs designed to reduce poverty will have beneficial outcomes for everybody.

**Mr. Jonah Schein:** Can you say more about the cuts to discretionary benefits? Which ones are you referring to?

**Ms. Diane Therrien:** There are many. In terms of dentures, in terms of the recreational programming, the Housing Stability Fund—there were cuts there. There were lots that we're seeing, and it just basically comes down to parents and families and seniors too—it's not just one or the other; it affects everybody, having to make hard decisions between paying for health care or paying for hydro. It's all interrelated. I know that the Poverty Reduction Strategy didn't meet some of its targets. I think part of it was that while having a focus on children seemed like a good idea, ultimately children can't bring themselves out of poverty. If their parents are still in poverty, children are still going to be in poverty. There needs to be a more holistic approach to it in trying to invest in the well-being of the parents so that they can invest in the well-being of their children.

**The Chair (Mr. Kevin Daniel Flynn):** Mike?

**Mr. Michael Prue:** I have many questions. I've been on the finance committee now for about 10 years. You

are one of the first people who have actually come and told us, "Please raise taxes."

**Ms. Diane Therrien:** Yes.

**Mr. Michael Prue:** And you've targeted those making more than \$250,000.

The NDP, two budgets ago, insisted that we have a special tax for those above \$500,000. It brought in \$400 million. But the government, when they did it, only did it for a couple of years. It's about to expire.

First of all, should that be continued? Secondly, you've mentioned \$250,000. Where did you get that from?

**Ms. Diane Therrien:** That was just sort of a ballpark figure that I picked. You know, \$500,000 would also work. We know that the top 1% and then the 0.01% in there are the ones who have seen their incomes rise. We know that top executives and CEOs have had their incomes rise at something like 200%, while the workers on the ground have had their incomes rise much, much less than that. People now at the top are making many, many times what the workers on the ground are, and I see no reason why those who are most able to pay those taxes should not have to pay those taxes. I mean, we're in a society where we should be concerned about the collective well-being and try to move away from this rampant individualism which seems to have taken over a lot of the thought that we see in government these days.

**Mr. Michael Prue:** The Canadian Centre for Policy Alternatives did a brilliant little paper in the last couple of years on January 1—it's in the newspaper on January 2—talking about the highest-paid executives in Ontario. By January 2 at 11 o'clock in the morning, they have already earned the average salary in Ontario. I guess that's who you are recommending—that people who earn millions of dollars a year in salaries should pay a little more.

**Ms. Diane Therrien:** Absolutely. I do believe so. I think you have workers—and increasingly, we see this across all spectrums. I saw this in the public service; I see this in the university. Across all sectors, there is this increased reliance on contract workers because you don't have to pay them benefits. They don't have any sort of job security. They don't fall under any collective agreement where they then are guaranteed a raise every year.

There are all these cost-saving measures, but in reality they are hurting our society. They will cost us more down the road, because there will be an increased reliance on social assistance, there will be an increased reliance on the health care system, as well as other social supports, which are being rolled back too.

It's like the perfect storm is brewing. If it isn't addressed now—you can't just keep putting it off for future generations to deal with. This is part of the reason why young people like myself are increasingly disillusioned with the political system, and we've heard about working families being less likely to vote because they don't feel like anybody is listening to them, and nobody is supporting them. I think that's a big problem too.

**Mr. Michael Prue:** I've still got time?

**The Chair (Mr. Kevin Daniel Flynn):** Yes. You've still got just under two minutes left.

**Mr. Michael Prue:** Okay. You also talked about the living wage. We heard in Halton yesterday that they calculate a living wage at around \$17; however, they were more concerned about the campaign for a \$14 minimum wage, even though that would not be a living wage for Halton. Have you calculated a living wage, first of all for Peterborough?

Secondly, what about the \$14 minimum wage that's being advocated? If that is to be done, I talked to the chamber of commerce from Peterborough today and they were not so much opposed to it, provided it was staged in and that business had an opportunity to prepare for it and not take a hit all at once.

Any thoughts on both of those things?

**Ms. Diane Therrien:** Right. I believe \$14 has been the broader living wage campaign. I think in Peterborough we calculate it at about \$14 or \$15, so not too different from what's been put forth.

I know that there is this thought that small business owners will take a hit on that, but that's why I was suggesting that by revoking the corporate tax cuts you would be able to have a pool of money with which to help small business owners top up wages for their workers.

But the majority of minimum wage workers are working at Walmart or McDonald's. These multinational corporations are saying, "We can't afford that," but in reality, their CEOs are walking away with \$10 million at the end of the year, and billions of dollars of profits. So there's no excuse why they can't pay their workers a minimum wage and provide them with the benefits that should be required in order to have a healthy, stable, happy workforce.

We hear all the time of people who are working several minimum wage jobs because, again, employers don't want to give them full-time hours because then they might be required to pay them benefits. So people are working 20 hours here, 20 hours there, and they're still barely making the poverty line.

1020

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Diane.

**Ms. Diane Therrien:** Thank you very much.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much for coming this morning.

#### PETERBOROUGH POVERTY REDUCTION NETWORK

**The Chair (Mr. Kevin Daniel Flynn):** Our next speaker this morning is Tara-Lyn Prindiville. If you'd like to come forward, Tara-Lyn. Make yourself comfortable.

**Ms. Tara-Lyn Prindiville:** Thank you. I do have a handout for you, so I'm just going to walk around—

**The Chair (Mr. Kevin Daniel Flynn):** No, just give them to Katch, here.

**Ms. Tara-Lyn Prindiville:** Oh, perfect. Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Make yourself comfortable. You have 15 minutes like everybody else; five minutes for questions at the end will go to the Liberal side.

**Ms. Tara-Lyn Prindiville:** Perfect. Thank you for coming all the way to Peterborough to speak to us, and thanks everyone for coming out, because that's really a valuable use of your time.

I'm presenting about the cuts to housing stability that happened across the province. Keep in mind that cuts to discretionary benefits also occurred at the same time, so it's kind of a double whammy there.

First of all, what is housing stability assistance? Housing stability assistance is short-term financial assistance that is disbursed to prevent evictions, to prevent disconnections of heat and hydro, to provide last-month rent deposits or to purchase home heating fuel. This is direct assistance to low-income people, both on and off of Ontario Works and ODSP. For people at risk of homelessness, it's a cost-effective tool for homelessness prevention.

Housing stability assistance was previously provided by the province through the Community Start-up and Maintenance Benefit, or CSUMB as we call it. Since the elimination of CSUMB and the consolidation of housing funds under the Community Homelessness Prevention Initiative, housing stability assistance in Peterborough is now provided through the Housing Stability Fund, which is municipally managed and funded through CHPI, the Community Homelessness Prevention Initiative.

With the elimination of CSUMB, provincial support for housing stability assistance has declined. Even with the transition grant that was awarded to various municipalities, overall 2013 funding for the Housing Stability Fund has fallen short from the 2012 CSUMB level by about \$900,000, resulting in significant impacts and hardship in this community. This has sown the seeds of a social, moral and economic crisis which will ultimately result in increased public and private expenditures for Ontarians.

Furthermore, Peterborough is disproportionately affected by this change due to its relatively high levels of poverty, core housing need, unemployment as well as one of the lowest average wages across all of the census metropolitan areas in Canada.

If you take a look at the first graph on your page there, you can see that provincial funding for housing stability assistance in 2012 was approximately \$2.5 million. That went to CSUMB, rent bank, Emergency Energy Fund and family fund. In 2013, approximately two million provincial dollars were allocated to the Housing Stability Fund, which was meant to replace CSUMB. This was partly through CHPI, but mostly through the transition grant that was awarded to us as a measure to mitigate these emergencies.

In 2014, just one million provincial dollars will be allocated to the Housing Stability Fund, and a bit of that is still leftover transition grant funding. In 2015, we

estimate that around 0.7 million provincial CHPI dollars will be allocated to the Housing Stability Fund, with no more transition grant.

If you look at the 2014 funding as a percentage of 2012 funding, without including the temporary transition grant funding, it's just over a quarter of what funding was in 2012. It's a 72.5% reduction.

Changes accompanying the cuts have been: stricter eligibility criteria, strict annual limits, less issuances of assistance—that's a big one—less types of expenses covered and in some cases less funding for expenses that are covered. Very importantly, CSUMB was a mandatory benefit, whereas the Housing Stability Fund is not. Therefore, once the fund is depleted within a given year, even eligible situations cannot be funded.

We did a little research over the summer, between April to July 2013, to see what some of the impacts of these cuts were on the community. We did a staff survey of 65 respondents who work with low-income clients. We found that they reported an intensification of work and crisis situations, a growing intensity in client-case management, an increase in the volume and needs of clients being served and a growing inability to help clients resolve their issues.

Some 69% of staff respondents agreed that heat and hydro disconnections have increased among their clients; three fourths of staff respondents found that homelessness and emergency shelter usage has increased among their clients since the benefit reductions took place; 83% of staff respondents agreed that hunger and food bank usage has increased among their clients since the benefit reductions; and 80% of staff respondents agree that household debt has increased among their clients.

We also did a client survey. We surveyed 111 people who were denied access to the Housing Stability Fund or discretionary benefits between April to July 2013.

If you look at the graph on your second page, you can see—it's the first graph—the number of people who reported various outcomes as a result of being denied benefits during that time period: 21 households were evicted as a result of being denied the assistance between April to July; 31 client households had their heat or hydro disconnected; 67% of those clients reported hunger or food bank usage as a result of being denied access to the Housing Stability Fund or discretionary benefits; and 60% of the clients reported increased household debt. So those are some of the impacts that we found.

The economic implications of this are vast. A failure to prevent housing crises can lead to job loss, obstacles to becoming educated and employed, obstacles to child development—all bad for the economy. Housing stability enables people to be productive members of society. Without it, they don't have that foundation.

We know that prevention is less expensive than responding to crisis. The costs of homelessness far outweigh the costs of eviction prevention. We know this. This has been researched across Canada and across the United States multiple times. So housing crises result in increased expenditures to health care, mental health and

addictions services, police services, children's aid society and more.

A local example of this: Recently, a family of four in Peterborough was evicted for rent arrears. They did not receive housing stability assistance. They arrived at a local shelter at the end of September and stayed until mid-November for a total of 56 days. The shelter charged social services a per diem rate per family member of \$48 per person per night. This worked out to \$10,752 for their shelter stay, which could have been prevented with just over \$1,000 for eviction prevention through housing stability assistance.

Conclusions and recommendation: Since the elimination of CSUMB and the commencement of the Community Homelessness Prevention Initiative, municipalities have been forced to stretch fewer housing dollars further. They were told that they were being given greater freedom to invest housing dollars according to local needs, but, in reality, they've been given so few dollars that this freedom is not authentic.

As a result, in 2013 and 2014, municipalities have been unable to adequately fund programs that provide housing stability assistance, the programs that are meant to replace CSUMB. This reduction of support has been a catalyst for a growing housing and homelessness crisis in Peterborough and across Ontario. More housing emergencies are not being prevented, resulting in additional hardship and public expenditures.

The Ontario housing policy statement declares that municipal 10-year housing and homelessness plans must ensure measures to prevent homelessness. However, without adequate funding, this provincial emphasis on prevention cannot be realized. The consequences of this will be increasingly dire and expensive. The dollars just are not backing up the policy.

The province needs to, once again, take primary responsibility for adequately funding housing stability assistance. This is an essential social service that cannot be financed largely through a municipal property tax base. It is a provincial issue relevant to all people in Ontario. This will require increased investment in the Community Homelessness Prevention Initiative.

**1030**

The Peterborough Poverty Reduction Network recommends that the province significantly increase investment in the Community Homelessness Prevention Initiative so that municipalities are genuinely able to allocate adequate funding to programs that provide housing stability assistance at levels similar to CSUMB in 2012.

**The Chair (Mr. Kevin Daniel Flynn):** That was great, Tara-Lyn. A very good presentation. Thank you. We've got about four minutes. We'll start with Joe.

**Mr. Joe Dickson:** Thank you, Mr. Chair, and thank you very much, Tara-Lyn. Just a couple of quick questions. You're with the Peterborough Poverty Reduction Network; is that assisted through any type of taxation?

**Ms. Tara-Lyn Prindiville:** It is funded through Ontario Trillium grants right now.

**Mr. Joe Dickson:** Thank you. A question on your chart—I guess that would be page 2: You referenced and

were giving counts; you mentioned 31 gas and/or hydro disconnections and 21 evictions.

**Ms. Tara-Lyn Prindiville:** Yes.

**Mr. Joe Dickson:** And I got the feeling for a moment that it may be a percentage, but I don't think that's possible. Can you tell me if that was 21 people or 21% overall when it came to evictions?

**Ms. Tara-Lyn Prindiville:** It was 21 households who claimed—

**Mr. Joe Dickson:** It was 21 households out of the entire area?

**Ms. Tara-Lyn Prindiville:** Yes.

**Mr. Joe Dickson:** Okay. Thank you. Thank God. I was scared. I thought it was 21%.

**Ms. Tara-Lyn Prindiville:** Oh, actually, I forgot to mention one important thing. We interviewed the Peterborough Community Legal Centre, and they identified a 34.5% increase in applications for eviction at the local Landlord and Tenant Board in Peterborough when comparing the dates of April to September 2012 and April to September 2013. That's a 34.5% increase in applications for eviction.

**Mr. Joe Dickson:** Looking at your numbers, I'm guessing that 21 people out of the entire population is half of one per cent or some such thing?

**Ms. Tara-Lyn Prindiville:** That's 21 people out of the 111 surveyed, and that's between the dates of April to July.

**Mr. Joe Dickson:** So that's almost two tenths of one per cent. Okay. I just wanted to clarify that.

On some of the social assistance issues, just a couple of quick things, and I didn't know if you were aware: Under social assistance, as part of poverty reduction, there's an area where those people receiving assistance can now work and maintain the first couple of hundred dollars a month that they earn.

**Ms. Tara-Lyn Prindiville:** Yes.

**Mr. Joe Dickson:** (a) It encourages them to work, and (b) it assists them. We want to get them out of that grid where they're stuck. I can see a little bit of positive things happening that way, and again, you're coming up with great numbers. It tells a real story out there.

On the other side of the coin, it's the worst recession in 82 years. It's five consecutive years. Not to point fingers at MPPs, but we're all setting an example where the wages were frozen for five years and continue to be. Our staff and our budgets are cut and everything, so we're doing all of those things.

I know there are cases where you'd like to pay people more money. I would love to see that as well, but as the owner of a printing company—there's a young gentleman over there with the same thing—we pay up to \$30 an hour on a press. All of our competition that we're losing goes offshore—China, India, Brazil; I could name you a whole bunch of countries—where the pressmen are a dollar an hour compared to that. They'll land work back here, prepaid, air freight, at your door, for 50 cents on the dollar. That's one of the things that's probably going to correct itself over the next 10 years, but it has been very

devastating to us here in this province, in this country and in all of North America.

**On union staff:** It has come to my attention through some of our hiring. We hire union people. We want to do that, because we believe that a fair wage is appropriate, but sometimes those scenarios are hampered because it causes grief with the unions if they go and work for a private firm. I just wonder if you'd keep this thought with you: I think that they should be able to work wherever they want to work, under whatever conditions.

Thank you, Mr. Chair.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Joe, and thank you very much, Tara-Lyn, for your presentation.

**Ms. Tara-Lyn Prindiville:** Thanks.

#### DURHAM REGION HOME BUILDERS' ASSOCIATION

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation this morning is from the Durham Region Home Builders' Association: Anita DeVries. Have a seat; make yourself comfortable. You have 15 minutes; use it any way you see fit. If you leave any time at the end, it will be questions from the Conservative Party this time.

**Mr. Joe Dickson:** How's everything in Durham?

**Ms. Anita DeVries:** Everything is wonderful. Thank you so much.

**The Chair (Mr. Kevin Daniel Flynn):** The floor is all yours.

**Ms. Anita DeVries:** Mr. Chairman, members of committee, good morning. My name is Anita DeVries. I serve as the executive officer of Durham Region Home Builders' Association. The Durham Region Home Builders' Association is the voice of the new housing development and professional renovation industry in Durham region. Our association includes approximately 170 member companies.

Since I'm here in Peterborough, I'd like to mention that there is a strong local Peterborough and the Kawarthas Home Builders Association that I have the pleasure of working with on a daily basis. We are both proudly affiliated with the Ontario Home Builders' Association and the Canadian Home Builders' Association.

The residential construction industry supports over 322,000 jobs, paying over \$17 billion in wages and contributing over \$43 billion to the provincial economy. I think it's important to state that I'm not here asking for funding. We are financial contributors to this economy.

The housing we build across Durham region and, for that matter, in Peterborough represents thousands of jobs not only directly on construction sites but we also generate huge numbers of indirect employment in other industries such as furniture and appliance manufacturers. I should also note that most of the material we use in new communities is sourced locally here in Ontario.

We remain concerned about the broader economy, as some sectors have not fully recovered from the recession. When consumers are not confident, when they don't have

a job or lack job security, they don't buy a new home or renovate their existing home. This is why my deputation today is going to focus on the economy, a conducive job climate and ensuring a fair, transparent and evidence-based planning process.

The Durham Region Home Builders' Association, as well as our affiliates, represents the professional renovations sector. Our members are competing against underground cash operators that don't pay WSIB premiums, don't pay their GST or HST and aren't likely to file income or corporate tax returns. They also put themselves at risk by not adhering to current health and safety standards and they put consumers at risk for liability and shoddy workmanship. In many cases, they don't even pull permits for the work that they do.

The underground economy is rampant in the renovations sector, and it is becoming a bigger and bigger issue every year. This problem was compounded a few years ago when the HST came in, as that additional 13% at the bottom of the renovation bill often prompts the question, "How much will it be if we pay cash?" The truly professional taxpaying and law-abiding renovation contractors are getting squeezed out by that question, and the result is that a large sector of our economy is not contributing to the tax base and is, in fact, putting consumers at risk. We believe that a broad-based, consumer-focused tax credit similar to the expired federal government's home renovation tax credit is the best method to deal with the problem of the cash economy in the renovations sector.

When I was talking to Jim Flaherty in Ottawa last spring, I spoke about this issue to him. He said that when they did have the home renovation tax credit, it did flush out a lot of underground workers, and also it ended up contributing to the taxes that were paid to the federal government. So it's actually not a cost to the government if you implement this tax credit.

Fundamentally, this is a problem that is best dealt with through a regulatory system that catches these underground operators alongside a plan to address the consumer demand for cash renovations. Consumers don't ask the question, "How much if we pay cash?" if they know that they need those receipts to get that tax credit.

#### 1040

Related to this is the provincial Healthy Homes Renovation Tax Credit, which we strongly supported and which offers a rebate to seniors to age in place by making accessibility-related retrofits. The Healthy Homes Renovation Tax Credit also has the added benefit of fighting the underground economy, and we are certainly doing our part to let consumers know about this important tax credit and making sure that our members are well-informed as well. We believe that the receipts generated from tax credits provide the Canada Revenue Agency with a wealth of data that could be used to cross-reference underground industries with WSIB information and building permit data to catch the underground operators.

We recognize that the shift to a harmonized sales tax has some benefits to the broader economy and specific-

ally manufacturing, but harmonization has brought about significant tax implications impacting new homebuyers and, as I noted earlier, homeowners contemplating a renovation. With respect to new homes and the HST, our provincial association supported the enhancements the province made in June 2009 to provide a progressive tax structure that is applied to new homes. This was a positive step for housing affordability as compared to the original proposal.

I want to be clear that while we support positive measures taken to improve the tax structure, it still represents a net taxation increase for homes valued over \$400,000. Even in communities such as Oshawa or Peterborough, we are finding that more and more new homes are valued higher than the \$400,000 threshold.

Let's keep in mind, regarding housing affordability, that 20% of the cost of a new home goes to government fees and taxes. If you want to make housing more affordable, you're going to have to cut these taxes and fees in some way.

Home prices tend to rise over time, and over the past decade, the new housing price index in Ontario has moved at a much faster rate than either general inflation or income growth. We are concerned that faster housing price appreciation will erode housing affordability. As you heard from some of the delegates, that is a huge issue.

We are not asking for drastic changes today. We are simply recommending that the government make a commitment to review the threshold of the HST at least every five years. This would ensure that housing affordability is maintained for the middle-class new homebuyers and ensure that the tax rebate continues to reflect changes in housing prices over time.

Our provincial association, the Ontario Home Builders' Association, responded positively to last year's provincial budget as it continued to make significant investments in core infrastructure with the announcement of the extended three-year, \$35-billion commitment. We expect that this year's budget will maintain that commitment as it is absolutely critical that the province continue to support infrastructure to sustain the recovery.

We believe that strategic infrastructure investments help enhance quality of life, support economic prosperity and enhance productivity. The provincial government should focus on core infrastructure investments. By that, we mean roads, bridges, water, waste water and public transit. These types of investments leverage additional private sector jobs and investments while improving productivity.

I should also add that the province can't make these types of investments in isolation. It is important that land use planning policy is in alignment with long-term infrastructure. This means provincial policy must provide leadership, and municipal implementation documents, including both official plans and zoning, should be in conformity with planned infrastructure to create investment-ready communities.

Durham region, as well as Peterborough and the Kawarthas, will directly benefit from the 407 extension,

and we are very happy about that. It is an extremely important asset for many homeowners, cutting their commute times and thereby increasing their quality of life.

In closing, I'd like to thank all of you for your attention and reiterate our key themes:

(1) We support a permanent home renovation tax credit to combat the underground economy.

(2) We support continued investment in core infrastructure.

(3) We recognize the province is in a deficit position, and this may not happen immediately, but we believe it is important that the province commit to a regular review of the new-housing HST threshold at least every five years.

Thank you, and I look forward to any questions you may have.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Anita. Vic, are you asking the questions? You have just under four minutes.

**Mr. Victor Fedeli:** Thank you very much, Chair. Anita, thank you very much for your presentation. I realize you said that you wanted a focus on the economy and the conducive job climate. The fact that we lost 39,000 jobs last month and 39,100 jobs the month before: How has that affected the housing market in the last few months?

**Ms. Anita DeVries:** In the last few months, it has dipped a little. But in Oshawa, actually, it is doing very well, especially in north Oshawa, where the 407 is coming through. Those houses are selling well because Durham region is still more affordable than being closer to Toronto or in Toronto.

**Mr. Victor Fedeli:** You talked about the underground economy. I wrote down that you said it was becoming a bigger issue every year. You talked about the WSIB and, of course, this January, the WSIB now is mandatory for all small contractors, as well. I'm from North Bay; I'm the MPP from Nipissing. I had a deluge of small contractors in my office saying that the smaller contractors are going underground because they can't afford this additional insurance now that is unnecessary to them and a new tax. Do you find the same thing has happened here?

**Ms. Anita DeVries:** Exactly. That is such a huge issue. Now there is a bill in front of the Legislature today that is asking for a reduction of that WSIB fee to one third. I know it's past first reading, and so I hope it really gets pushed forward quickly when you reconvene in February. It's Bill 155, the WSIB reduction.

**Mr. Victor Fedeli:** The College of Trades is another new tax that has been implemented on January 1. Has that also become an issue this year where your members are now going underground? Is that part and parcel of it?

**Ms. Anita DeVries:** That certainly is another item that does not make the residential construction economy any better.

**Mr. Victor Fedeli:** The fact that the government is now talking about reducing nuclear power from 56% in

Ontario to 45%: How do you think that will affect the Durham region home builders?

**Ms. Anita DeVries:** We were looking forward to a lot of new jobs with OPG being there in Durham region. It hasn't affected them yet, to be honest, but—

**Mr. Victor Fedeli:** What's your prognosis?

**Ms. Anita DeVries:** Well, you know what? I guess I don't want to make a guess. We'll see. Obviously, it's not good.

**Mr. Victor Fedeli:** I'm going to pass it to Laurie.

**The Chair (Mr. Kevin Daniel Flynn):** You've got about 30 seconds.

**Ms. Laurie Scott:** Okay. Thanks for coming here today. I know you mentioned that the 407 extension has been delayed many years, so that has obviously been a negative impact. It certainly has up in my area, making it go to 35/115—you'll see it before I will. But do you have any comment on that delay of the construction of the 407?

**Ms. Anita DeVries:** Well, we just want that to get done—

**Ms. Laurie Scott:** I'm with you.

**Ms. Anita DeVries:** —and get done quickly.

**Ms. Laurie Scott:** ASAP; can I just add that?

**Ms. Anita DeVries:** As quickly as possible.

**Ms. Laurie Scott:** All right. Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** You've got three seconds to add some more letters if you want.

**Ms. Laurie Scott:** Well, there you go. Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** BTW or something.

**Ms. Anita DeVries:** Thank you very much, and I will have a soft copy available to the committee.

**The Chair (Mr. Kevin Daniel Flynn):** That's great, Anita. Thank you very much for coming today. We appreciate it.

#### MR. JOHN MARTYN

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation is John Martyn. John, if you'd like to come forward and make yourself comfortable. If you have any handouts, the Clerk will come and get them from you, or somebody will.

**Mr. John Martyn:** I'll be using them during my presentation, so I appreciate them being distributed.

**The Chair (Mr. Kevin Daniel Flynn):** That's great. Did you want them handed out to the members, though?

**Mr. John Martyn:** Yes, please.

**The Chair (Mr. Kevin Daniel Flynn):** Okay. Joe, could you grab them, please?

Okay, John, the floor is all yours: 15 minutes; use it any way you see fit. Any questions this time, if there's any time left, will come from the NDP.

1050

**Mr. John Martyn:** Thank you very much. Good morning, and welcome to Peterborough.

Although I'm speaking as an individual, I would like you to understand that I'm reflecting the thinking of a

number of organizations of which I am a part, including the Peterborough Poverty Reduction Network, the Affordable Housing Action Committee and a number of non-profit housing providers that I've worked with over the years, including a brand new one that I'll refer to in my comments. I have been volunteering in this kind of work for over 30 years. Over that time, I've learned a great deal.

You heard previously from two of our Poverty Reduction Network employees: wonderful, very bright young women who are working with us on these issues of poverty. I would like you to know that they're both graduates of Trent University, and we're very proud of them.

I want to address the interrelationships among housing affordability, incomes and poverty. Because this consultation is related to the provincial budget, my comments will focus on the economic costs. However, I hope you understand that underlying what I will say is a profound concern that unless governments act, as a society we are condemning more and more people to a life of poverty.

It's vitally important that the provincial government and all three parties understand and appreciate just how seriously the lack of adequate, appropriate, accessible and affordable rental housing is impacting on the lives of low- and very-low-income people. As you will hear again and as you've heard already, for those of us working in this area, our sense is that Peterborough is facing a crisis that will likely get worse over the next few months. On the one hand, there's virtually no new decent housing being created that many low-income people can afford, and on the other hand, levels of income from all sources are so low that folks are unable to afford what housing is available without significant subsidies.

We've tried to summarize this concept. I'll just read it to you:

"Critics and detractors of rent supplements will draw attention to the requirement for continuous funding. Support of the physical infrastructure of our community likewise requires continuous and constant funding." I'm sure you're only too aware of the importance of that. "What we fail to acknowledge is the existence of a 'social infrastructure.' Social infrastructure requires continuous monitoring and inputs in order to keep it healthy and functioning. The returns for this type of support can be significant as measured in reduced costs in health, social services, and police services. Supporting social infrastructure is an economic investment. When people can better engage in their community, the local economy is bolstered. Investments in social infrastructure create another type of health called social cohesion—the opposite of social fragmentation."

All governments know the issues. Report after report has identified the need for housing that people can afford and the costs of the support services that people need. Actions have been outlined and recommendations have been made. In my experience, it remains the elephant in both the social and economic rooms, not just the social room. Housing has been orphaned—very often, especial-

ly affordable housing—from other major issues. However, this crisis in availability and affordability is at the root of many of our social and economic problems. Governments must act in partnership, including the strength of community organizations. I want to stress the importance of recognizing the non-profit sector, especially in this area, as a vital and important partner in going forward with some of these issues.

In Ontario, some municipalities, including this one, have been working with a strong, active and generous community, and have made significant efforts to deal with the problem. I would commend this particular community and the leadership at the municipal level for the efforts that they in fact have made to assist in dealing with some of these issues around housing. But municipalities, as you all know—and I would guess that some of you have been on municipal councils—just cannot afford the cost of closing the housing and income gaps.

Based on the 2011 national household survey, there are 47,240 people in the Peterborough census metropolitan area who have individual, before-tax incomes less than \$29,000. More than 29,000 people have annual incomes below \$15,000, including 8,515 individuals with an income under \$5,000. In this CMA, according to the national household survey, 4,335 individuals have no income at all. The median employment income in this area is \$46,164 and the median household income is \$58,314.

I have provided you with copies of the 2012 and 2013 Housing Is Fundamental. This is a research document that we have been publishing for about nine years now through the Affordable Housing Action Committee, which is a committee of citizen volunteers that advises city and county council on issues related to affordable housing. The document provides current research on the housing and poverty crisis for municipal councillors and the public.

I'd like you, if you would, please, to turn to page 11 of the 2012 document—that's the blue one—and page 3 of the 2013 document. These are Peterborough numbers based on the most recent information that we've been able to obtain. The first one, on the blue copy, the 2012 document, indicates the low-income cut-off numbers, and the second column indicates the level of income needed to afford a monthly rent at 30% of gross income. As you can see across the way, you can see the various costs and, at the far right-hand side, the supplement required to make rent affordable. That's in this particular community—city and county. I'll come back to that in a moment.

In the 2013 document, we've provided the current social assistance rates. These are, as you know, determined by the province, and they give you some indication of what the current rates are. I'd like you to keep this chart at hand as I continue in my presentation.

Here's a story that I want to use to illustrate some of the challenges that those of us in the non-profit sector are facing. I'm on the finance committee of a new non-profit organization. We are in the process of converting a

former convent into a community centre. We have taken this initiative on our own, with our own resources and our own volunteer assistants. The first phase of the project is to develop 47 apartments, a mix of market and below-market units.

#### 1100

Recently, we met with the executive director of a major housing provider serving vulnerable tenants who are receiving assistance through the Ontario Disability Support Program. The provider has expressed an interest in working with us to develop five totally accessible bachelor apartments for individuals in wheelchairs.

In order to help our organization determine a rent level that we can live with and that we think is close to being affordable, we've been using research from the Canada Mortgage and Housing Corp. as the basis for our analysis. There are, as you may know, three levels to CMHC's affordability scale.

Suggested level 3 rents are based on 80% of market rents for the Peterborough CMA. For Peterborough, this would suggest \$621, 80% of market. A person on ODSP receives \$1,075 a month. The maximum shelter rate allowed for a single person on ODSP is \$479. In order for this person to pay no more than 30% of income, the benchmark for housing affordability, a subsidy of \$142 a month would be required.

Annually, we as an organization would need an additional \$1,704 each year for each unit, and a total of \$8,520 each year for the five units. We want to provide 25 to 27 units of the proposed 47 at a variety of sub-market rents. We estimate that we would need an additional \$75,000 to \$100,000 each year in order to subsidize rents for low-income tenants in these particular units.

The question we are left with is: Where will this money come from? I know I'm running out of time, but I was going to leave you with the question of what you would suggest for where we get the money from.

**The Chair (Mr. Kevin Daniel Flynn):** There is a minute left, and the questioning would come from the NDP. Jonah? Michael?

**Mr. Michael Prue:** We've had several presenters say that maybe we should just up the income tax for the very rich, and get some money.

But I wanted to take the minute—because I don't think there's time to respond—to commend you for the Sisters of St. Joseph application and what you're doing there. I had the opportunity to tour that, and it is phenomenal what this very small city, with a dedicated core of volunteers, is proposing to do.

If there was more time today, I would invite all the members to go over there and take a look at how a group of individuals with very little resources are developing housing at a time when very little is being built in this province. I just want to commend you for that, just so that everybody knows the terrific job you're doing.

**Mr. John Martyn:** Thanks very much.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, John. Thank you for your wonderful presentation.

**Mr. John Martyn:** We are offering a very interesting social financing plan that includes community bonds, and I'd be very glad to talk to anybody who's interested.

**The Chair (Mr. Kevin Daniel Flynn):** Very good. Thank you very much, John. I'm sure somebody will take you up on that.

#### NO CASINO PETERBOROUGH

**The Chair (Mr. Kevin Daniel Flynn):** Is Carleen Johnson in the room? Carleen from No Casino Peterborough, if you'd like to come forward. Make yourself comfortable there. Thank you, Carleen. Like everybody else, you have 15 minutes. Use that any way you see fit. If there's any time left over at the end, the questions will come from the government side.

**Ms. Carleen Johnson:** Thank you for coming to Peterborough.

Gambling action is everywhere: lotteries, casinos, Internet gambling, horse racing and sports lotteries.

Committee Chair, honourable members of the committee, fellow guests, in a 2000 YouTube video titled "the reason people keep losing at casinos," John Coppa describes the operation of a casino. Casinos are in the business to make money. They have set up an elaborate trap: no clock, no day, no night, no windows; a twilight zone, an adult Disneyland of the world; all luck; an environment of unrealistic goals. To get to the bathrooms, to get the free meal, they guide you through a maze—guiding you to where they want you to go.

John Coppa continues: Everything is an illusion. You are not using your money. At the slots, you use credits. At table games, you use chips.

On behalf of No Casino Peterborough, I am asking the Ontario government to abolish Ontario Lottery and Gaming's modernization plan to expand its casino projects announced in 2012, including 29 gaming zones that involve private operators and online gaming.

Economics: Robert Williams, a health sciences professor at the University of Lethbridge and a research co-ordinator for the Alberta Gambling Research Institute, states: "Because of this peculiar situation where the bulk of the patronage (in Ontario casinos) comes from the local municipality, but the money is directed at the provincial level or the operator level and is taken out of the community, there's always going to be a net ... loss to the local economy."

The Rotman School of Management's Martin Prosperity Institute at the University of Toronto studied the potential economic impact of casinos in Toronto. They identified 27 studies indicating the costs produced by casinos outweigh the benefits by two to seven. Its conclusions are damning: "[S]o far, all we have are numbers—lots and lots of numbers. The important thing is that all of them are meaningless."

Richard Florida, the institute's director, said that casinos are the wrong message for a city to send. They smack of desperation. Casinos aren't for cities on their way up; they're for cities out of options. Casino business

is an inefficient transfer of money from middle- and lower-income groups.

OLG states that 5% of the gambling revenue—which is an optimistic estimate, about \$4 million per year—will come to Peterborough. But the OLG cannot have a business plan until the private consortiums are in place. Private operators, not OLG, will decide how the money is distributed, and the hosting community will be at the bottom.

How does the OLG spend its money? Rod Phillips's wages have increased by 73% more than his predecessor in 2008. The total compensation for the 10 highest-paid executives at the OLG jumped 49% in 2012 from 2010. The OLG payroll costs totalled \$950 million in fiscal 2012, unchanged from 2011, but the agency's head count shrank by 800 employees. There were 287 OLG employees on the sunshine list for the 2012 fiscal year. Some 60% of Ontario's gambling revenue went toward operating expenses. In the rest of Canada, it's at 25% to 51%.

Social factors: Virtually all the social problems that result from gambling come from the problem/addicted gambler. By most estimates, only 1% to 3% of the people who gamble have a problem. That percentage is 4% to 6% in the immediate vicinity of a casino. Casino employees have problem gambling rates three times higher than the general population.

1110

Problem/addicted gamblers make up 35% to 50% of the total revenue of every casino and 60% of the slot machine revenue. In her video *Gambling on Gambling*, Sandy Garossino says, "Slot machines are the crack cocaine of the casino business."

A casino can only make a profit by promoting and catering to problem gamblers. The OLG does this shamelessly. It spends \$500 million a year on incentives, rewards, marketing and promotion aimed at problem gamblers. Even more shamelessly, as profits go down, the OLG is extending their player base reach to new populations. "OLG is continuing to work on broadening its player base to ensure it includes the younger generation of adults as well as new Canadians. The introduction of *Poker Lotto*"—I wouldn't want to say that 10 times—"was the first of a series of planned innovative product developments designed to appeal to these important demographic groups." That comes from the OLG's 2010-11 annual report.

These two demographics are also at higher risk for addiction. New Canadians are more likely to experience unemployment or underemployment, which can lead to poverty and increased financial risk-taking. Newcomers gambling online may also experience high levels of social isolation, which can contribute to problem gambling.

Young people tend to rely on fixed incomes and may miscalculate gambling odds. A study of students in Lethbridge, Alberta, found that 7.5% were problem or pathological gamblers. Young people who are problem gamblers are more likely to report concurrent substance abuse and an increased presence of mental health problems and attempted suicides. Former crown prosecutor

Sandy Garossino looks at youth gambling in her video Gambling on Gambling.

Centre for Addiction and Mental Health statistics: 29,000 youth in grades 7 to 12 exhibit signs of problem gambling. They were 11 times more likely to carry weapons and engage in gang violence and 17 times more likely to have attempted suicide last year.

Is this the way you want your government-issued student loans spent? We are working with the Trent Central Student Association and will be making a presentation to the board next week. If we are successful, the student association's board is going to work with student boards across the province and the rest of Canada. It will give 600,000 youth a vote against gambling in Ontario and Canada.

Sandy continues, "The social costs of gaming outweigh the benefits."

Organized crime: Senior policing experts in BC state that the highest concentration of gangsters found outside of the prison system is in casinos. Victims of organized crime don't call the police. The information comes from bankruptcy lawyers. Loan sharks have staff on the gaming floors 24/7, mostly in the high-roller rooms. They charge 20% per week. If the debt isn't paid, they teach the gambler and/or his family how to embezzle from employers and teach credit card fraud or drug dealing.

Employment: Research in Massachusetts by Baxandall and Sacerdote shows there is little difference between employment rates in communities between those have a casino and those that don't. Most jobs tend to be low-paying, non-union contract work with no benefits and long, irregular shifts, including evenings, nights and weekends, which has been shown in multiple studies to be detrimental to family life. Studies of casino employees have found a threefold increase in problem gambling rates and higher rates of alcoholism and depression than in the general adult population.

Response from the citizens of Ontario to build a casino in their city: Toronto city council, no, 40-4; Markham, no, 9-4; Vaughan, no, 5-4; Waterloo region, official no, December 12.

Response from the citizens of Peterborough: Your handout includes a document that was presented by No Casino Peterborough to the mayor's assistant, nine city councillors and township councils in Peterborough county regarding our concerns about the consequences of establishing a casino in Peterborough. Your handout also includes statements from health care workers and 77 members of a diverse faith community who signed a statement against a casino; 2,300 Peterborough citizens signed a petition against a casino.

Public meetings were held on March 5 and 18 with overwhelming objection. On April 13, an online Examiner poll showed that 65% said no. In May, this year, Professor Trevor Denton conducted a telephone poll: 68% said no. In the Peterborough Examiner from March to July of last year, letters to the editor showed 37 opposed and three in support of a casino in the city.

This country was built on industry, jobs and hard work. Until we get back to the basic work ethic, the government has failed its citizens. Find legitimate jobs for people, not jobs based on the backs of those who can ill afford it.

In a 2007 report entitled A Game of Trust, Ombudsman André Marin stated, "By getting into the gaming business, the province has not only acquired a huge pool of money, it has taken charge of an activity that remains criminal if undertaken privately because of its inherent risks of corruption and abuse of the vulnerable."

He further states, the OLG "is very good at making promises—after all, it is well versed in convincing Ontarians to follow the dream of the big win."

We are counting on Premier Kathleen Wynne, Jeff Leal and the other government leaders to abolish the OLG modernization plan. Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Carleen, and you've left about two minutes. So which one of you goes first? Bas?

**Mr. Bas Balkissoon:** Thank you, Mr. Chair. Let me say thank you very much for your presentation: well researched; your numbers are well given to us. But are you aware that the government's position is, and the Premier has stated it more than once, that the municipalities will decide, if there will be a friendly host municipality, on any decisions to be a host of a casino? Can you tell us, beyond the letters that you've sent in the local municipality, what has been your discussion with the mayor and the council, and have they ever entertained a public meeting at all to deal with casinos?

**Ms. Carleen Johnson:** Of course, the meetings in March were public meetings, and it was an astounding "no." Our position is that we elected our councillors. The casino issue wasn't an issue during the election three years ago, and so it wasn't something that we said to our councillors "yea" or "nay." There is a document attached, and that has been given to nine of the councillors—one just refuses to see us—and the mayor's assistant.

The other thing is, we don't understand, and we have tried to talk to the OLG and say that when there's still around 65% to 68% of the people in any poll saying no, and you say, "We'll only go where we're wanted"—that says you're not wanted here. But then they go into—and I didn't bring that information with me because I thought a former person was speaking about this—a piece of the article that said that council can decide. We say, "We're the council; we elected them."

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Carleen. I think you've made your point very clear. Thank you for coming today.

#### NORTHUMBERLAND COMMUNITY LEGAL CENTRE

**The Chair (Mr. Kevin Daniel Flynn):** Our next presenter this morning is from the Northumberland legal community centre. Teresa, if you'd like to come forward; make yourself comfortable.

**Ms. Teresa Williams:** It's the Northumberland Community Legal Centre.

**The Chair (Mr. Kevin Daniel Flynn):** Northumberland legal community—wait, what did I say?

**Ms. Teresa Williams:** That's what you said. "Community" comes first.

1120

**The Chair (Mr. Kevin Daniel Flynn):** Oh, I'm sorry. Okay. Community legal centre. We got it.

Like everybody else: 15 minutes. You use that any way you see fit. If you leave any time at the end, the questions will come from the Conservative Party. Thanks for coming.

**Ms. Teresa Williams:** Good morning. Thank you for the opportunity to speak. I don't have 25 copies because I've actually just been sitting here editing what I was going to say.

As mentioned, my name is Teresa Williams. I'm a community legal worker for the Northumberland Community Legal Centre. We are south and even a little bit west of here. We have a large rural population.

As you know, community legal clinics practise poverty law. We assist people with their social assistance matters, WSIB, Criminal Injuries Compensation Board claims and human rights matters, among others—some federal programs.

Today, we're here to ensure that you understand the hardship that the cancellation of two of the social assistance programs has caused our clientele.

The rates of social assistance, you may know, are well below the poverty line, already causing undue hardship to many families in Ontario. In 2012, funding was cut to two important programs that recipients of Ontario Works benefits and Ontario Disability Support Program benefits relied on. Those two programs were the community start-up benefits and the home repair benefits. People in receipt of social assistance, especially those who cannot work, are among the most vulnerable people in Ontario. Without these benefits, they're at an even greater risk than they already were of becoming homeless.

The Community Start-up and Maintenance Benefit assisted people with moving costs, utility costs, setting up a home etc. People, with or without children, leaving shelters were able to use this funding, to use it as first and last month's rent. People who are leaving institutions—hospitals, jails etc.—were able to use it for somewhere to move into. Rural Ontarians, particularly those without transportation services, which are many of our residents of Northumberland, require assistance, trucks, for moving.

While a lesser amount of funding has been available to municipalities for the past year, the benefit is discretionary. It's a patchwork throughout the province. It's not uniform, and it ought to be uniform. As such, one person can make a discretionary decision—it may even be based on whether or not they dislike a person, or that they find this particular person is undeserving for some reason or another—to deny benefits. These decisions can't be appealed to the Social Benefits Tribunal. Discretionary

benefits can't be appealed. You can request an internal review, but doing so puts the decision before a colleague of the person who made the decision in the first place.

**Home repairs:** In many cases, disabled persons have had to make sure their homes are barrier-free. If an issue of a home repair comes up—for example, if your roof leaks—that disabled person is then forced to stay in a home with that leaky roof or a broken window. Many rural homeowners use a wood stove or an oil tank to heat their homes. For our rural homeowners who heat their homes with oil, their tanks must be certified. The oil companies will not deliver if the tanks are not certified. Also, the oil companies won't deliver partial amounts; it's a full tank or nothing. So in many cases, our rural clientele have been forced to purchase diesel fuel from gas stations and put it in their unsafe oil-burning tanks. For our clients with wood stoves, the funding would allow them to ensure the safety of their wood stove. People are forced to burn wood in inefficient or unsafe wood stoves, which poses a risk of fire and, of course, carbon monoxide.

Outstanding home maintenance may lead to higher utility costs. If you have a broken window or a leaky roof, presumably your heat costs increase. If you have a leaky tap, your water bill will increase if you're in town.

An important recommendation that the Commission for the Review of Social Assistance made in its report was providing greater access to housing for social assistance recipients. Without an allowance for the community start-up and the home repairs, this access has been erased. We submit that reinstating the community start-up and home repairs benefits is, in fact, a greater access to housing. Further, it's cost-effective to the municipalities, as restoring the funding to maintain current housing prevents people from having to move and request even more funding.

We urge this standing committee and the ministry to consider Ontario's Poverty Reduction Strategy, as well as the recommendations from the Commission for the Review of Social Assistance, when discussing funding for social assistance.

Recently, there has been much media about the health care costs of poverty. In a recent report by the Canadian Medical Association, they state that poverty is one of the biggest barriers to good health. Other associations recognize the health impacts of poverty on poor people. Legal clinics, as well as other agencies who work with people in poverty, can actually see the effects that the poverty has on their health.

Lastly, I would just like to submit that amalgamating ODSP with the municipalities would have the same punitive effect of one person making a decision and it being patchwork and not uniform within the province.

Thank you.

**The Acting Chair (Mr. Bas Balkissoon):** Thank you very much. We have about eight minutes. Mr. Holydai.

**Mr. Douglas C. Holydai:** The concern about the less fortunate and the poverty, the people being able to pay their bills, concerns me greatly. The province has put forward a proposal where they want to implement new

taxes to pay for transit in Toronto and other places: 10 cents a litre on gas. I'm just wondering what you think of something like that.

**Mr. Joe Dickson:** Cancel the transit.

**Ms. Teresa Williams:** No, no. I wouldn't ever say, "Cancel the transit," although I would say that using gas tax for municipalities as well would assist. I fear that regions outside of Toronto will find the province being Toronto-centric. Most recently, the entire town of Port Hope, which is within Northumberland county, was without hydro for at least 16 hours, but only 100 of the gift cards came this way. So I would like to see a balance throughout the province—maybe a smaller portion of the tax to the transit in Toronto.

**Mr. Douglas C. Holyday:** Well, I'm just worrying about its effect on the people already suffering from poverty. I know a lot of people, young people, just barely making ends meet, paying their rent and putting food on the table and perhaps a child or two in daycare, but they do have a car, and this is just going to be an added tax on them. There's no differentiating between who they are: If they buy gas, they're going to pay this tax. It's definitely going to have an effect on people like that.

**Ms. Teresa Williams:** It will.

**Mr. Douglas C. Holyday:** I'm just wondering whether you think it would be wise to go ahead and do this.

**Ms. Teresa Williams:** I'm of two minds, because the transportation is important. We see ourselves, in Northumberland county, that our rural communities can't get to the centres for employment. So it's great for that reason, but I would prefer to see it go into health care or poverty reduction.

**Mr. Douglas C. Holyday:** Thanks a lot.

**Ms. Laurie Scott:** I'll just follow up with a couple of questions about what Doug was talking about in the cost of gas. So we're in rural ridings—Northumberland, myself. I run into young people all the time who can't afford the car insurance, let alone the increase in gas, so therefore they can't get to jobs. They can't get to any possible apprenticeship training either. So it's kind of that cycle you're talking about around poverty, right? If we can't help them get jobs, which is the best way to help people out of poverty, to get them good-paying jobs, we run into this—you can comment on that if you want. I see you want to speak.

**Ms. Teresa Williams:** Well, I was again going to say that some are unable to get the job. So while some are looking for work, and employment is their means from poverty—that raises a whole other question about minimum wage—they are not all able to work. The disabilities have to be recognized as well.

**Ms. Laurie Scott:** No question. I agree, and I agree that when they changed the discretionary benefits, it hurt those most vulnerable. We did not support that. Some municipalities could fill the gap; some could not. But it did hit the most vulnerable people who are out there.

1130

I wanted to ask you this, just for a little bit of clarification, and I'm sorry if I just wasn't paying attention

closely: When you were talking about the heating, were you talking about the fact that if their oil tank isn't up to the code, then they can't get oil and then they go to the diesel—

**Ms. Teresa Williams:** To a gas station and fill a gas can.

**Ms. Laurie Scott:** Yes. I'm having trouble across rural Ontario, with the closure of small gas stations and the closure of marinas on lakes. That is exactly what's happening: The jerry can comes up and you fill it up, and jerry cans always leak, so you're actually not helping the environment at all. I know it seems like a small thing, but it's a huge thing when small employers like gas stations close down in towns. It affects all of these small towns, right? If there's no gas station, people do not come.

**Ms. Teresa Williams:** Right. I would agree.

**Ms. Laurie Scott:** You were saying then they go to wood. Do you find that they don't have safe wood stoves? When you were talking about the home repairs—

**Ms. Teresa Williams:** They were two separate things.

**Ms. Laurie Scott:** Yes, okay.

**Ms. Teresa Williams:** They don't then go to wood, but people with wood stoves—

**Ms. Laurie Scott:** Right.

**Ms. Teresa Williams:** Yes, they are often unsafe.

**Ms. Laurie Scott:** Because they can't afford to get—because of that gap in funding, which was the home repairs for disabled persons. Is that what you were talking about?

**Ms. Teresa Williams:** Right, right.

**Ms. Laurie Scott:** Okay.

**Ms. Teresa Williams:** Home repairs for all social assistance, but definitely disabled persons.

**Ms. Laurie Scott:** Yes, for sure, those are the most vulnerable. Do you feel that, in the last 10 years, unemployment has certainly come back to Northumberland? Do you see that?

**Ms. Teresa Williams:** Yes.

**Ms. Laurie Scott:** Can you give me a range?

**Ms. Teresa Williams:** I have no idea. I can't find local statistics. I do know that, typically, we've been a percentage higher than the national average, over the past four years anyway, but I can't actually find numbers anywhere.

**Ms. Laurie Scott:** It's very hard to break it down.

**Ms. Teresa Williams:** We have a very hard time getting stats for the number of requests even for the home repairs or the discretionary funding that is now available. We don't have numbers.

**Ms. Laurie Scott:** Yes, it's traditionally—Northumberland would be included, and Peterborough and certainly up in Haliburton-Kawartha Lakes-Brock—higher-than-average unemployment rates, which is—

**Ms. Teresa Williams:** Right. We've seen it. I've been trying to work myself out of a job. I find I'm now working myself into an illness.

**Ms. Laurie Scott:** Okay. Was there anything else you wanted to add onto your comments? Yes, it's fine.

**Ms. Teresa Williams:** I specifically kept it short so that I didn't wander off about minimum wage and increasing the rates etc., etc.

**Ms. Laurie Scott:** Yes. It's a very fine line, because you don't want to increase the minimum wage to a certain amount that businesses won't hire anybody, right? It's a balancing act.

We want to create better-paying jobs in the province. The transportation for rural people, rural kids, to get to those is a challenge. That's why Doug has asked about the 10-cents-a-litre gas increase.

**Ms. Teresa Williams:** Right, yes.

**Mr. Douglas C. Holyday:** Is there still time left?

**The Acting Chair (Mr. Bas Balkissoon):** You've got about 30 seconds.

**Ms. Laurie Scott:** Sorry, Doug.

**Mr. Douglas C. Holyday:** I just was wondering about the minimum wage and the effect on students. Would you want that minimum wage to apply to students as well, the increase to \$14?

**Ms. Teresa Williams:** Yes, I would want it, of course, in a dream world. But I recognize that it's not likely to happen, so I would like to see it at least \$10.50 for students—at the very least.

**Mr. Douglas C. Holyday:** Thank you.

**The Acting Chair (Mr. Bas Balkissoon):** Thank you very much, and thank you for coming today and sharing your thoughts.

**Ms. Teresa Williams:** Who do I send the—  
*Interjection.*

**Ms. Teresa Williams:** To you? Okay. Thank you. I have your information.

#### PETERBOROUGH COMMUNITY LEGAL CENTRE

**The Acting Chair (Mr. Bas Balkissoon):** If I could call the next person, Martha Macfie, from the Peterborough Community Legal Centre.

**Ms. Martha Macfie:** Thank you. Good morning. A copy of my presentation is being distributed to you, and you'll note on the back, stapled, is my business card.

The Peterborough Community Legal Centre is a legal clinic funded by Legal Aid Ontario. Since 1989, our mandate has been to advocate on behalf of people living on low incomes in Peterborough city and county.

*Interruption.*

**The Acting Chair (Mr. Bas Balkissoon):** Sorry about that.

**Ms. Martha Macfie:** Okay.

**Mr. Victor Fedeli:** You're done.

*Interjections.*

**Ms. Martha Macfie:** I'm just going to go beyond my time here.

**The Chair (Mr. Kevin Daniel Flynn):** That's right. Just keep going.

**Ms. Martha Macfie:** We strive to reduce poverty and to promote access to justice for the most vulnerable members of our community. We focus our efforts on

achieving income and housing security for our clients through legal representation and advice, community development, public legal education and law reform initiatives.

I'm going to make some comments on budget 2012. You heard the previous speaker, so some of this is not going to be new to you, but my theory here is that you need to keep hearing it because this is a huge issue for our clients. The more times you get to listen to this issue then I think the more likelihood there is that we will actually make the right changes.

Budget 2012 was a blow to individuals and families who are forced to rely on social assistance. A 1% rate increase was more than offset by cuts to provincial funding of discretionary benefits effective July 1, 2012, and the removal of the critically important Community Start-up and Maintenance Benefit, popularly referred to as CSUMB, from social assistance as of January 1, 2013. CSUMB was a key part of both OW and ODSP programs. It was a mandatory benefit providing limited funding to establish a new residence or deal with a housing emergency. Funding was most frequently accessed for last-month rent deposits, utility deposits, moving costs, periodic help with rent or utility arrears, or to replace appliances or furniture after a fire or flood, as we had here in Peterborough, or bedbug infestations.

Funding for CSUMB was cost-shared with municipalities, and, critically, it was a mandatory needs-based benefit that was client-centred. So it was not a flat funding program or benefit. A community did not receive a flat amount. If there was need in a community, for example, to deal with something like a flood, additional funding could be provided.

CSUMB was replaced by reduced funding within a new funding model as of January 1, 2013. Under the new model, total provincial funding was cut by 50% and capped. Funding and delivery was taken out of social assistance. The province provides envelope-style funding to municipalities. Municipalities theoretically have flexibility in expanding provincial dollars but they have few restrictions or requirements as to how they do so.

Providing housing assistance is discretionary—it is not related to need—and decisions to deny assistance cannot be appealed. There is no requirement that municipalities cost-share this funding.

These cuts to provincial funding of housing benefits and a flawed new delivery model are indefensible in every way but one, and that is as a cost-cutting measure—austerity, we keep hearing.

Tara-Lyn, a previous presenter, described the dramatic reductions to housing stability benefits since 2012 and provided you with a handout, so I'm not going to go over the details that you have in the copy of my presentation, but I do need to note that given the flawed funding model, it was totally predictable that not all the provincial dollars would find their way into the municipalities' Housing Stability Fund, which is the CSUMB replacement fund.

We're one year in, and we knew that it would take a few months to see the real impacts of these horrific cuts.

To date, we have observed the following impacts: a patchwork of benefits across the province; a lack of consistency in decision-making at the local level between OW caseworkers; people who receive ODSP can no longer get housing assistance from their caseworker and must go to a different office and speak to a stranger. This is particularly difficult for people with mental health problems and contributes to the growing welfarization of disability. Legal Aid Ontario has just produced a background report because they're embarking on a mental health strategy, and they've referenced some of the data from the social assistance review commission that noted that the majority of legal aid clients and the significant majority of legal clinic clients have mental health disabilities. So for these folks who develop a relationship with their caseworker at ODSP to now have to trundle down the street to a strange office and deal with strange people in a different program—it is part of the welfarization of disability.

We noticed increased evictions due to arrears of rent. We looked at our stats. We provide a Tenant Duty Counsel Program at the Landlord and Tenant Board. In Peterborough, the number of L1 applications—these are applications by a landlord to evict a tenant for arrears of rent—on the Landlord and Tenant Board docket increased by 33%, April to September, 2013 over the same period in 2012. That's a huge increase. What we're also seeing is that the number of Landlord and Tenant Board hearing dates has gone up. The majority of matters on those dockets are applications to evict for arrears of rent. Instead of 33 or 34 hearing dates in Peterborough, there are now 48, and on a given docket, there might be an average of 15 to 20 matters. That's a huge increase in the number of eviction applications for arrears of rent. I spoke to a mediator last week at the Landlord and Tenant Board. She says it's happening across the province. She identified the cancellation of community start-up and maintenance as the culprit here. This is costing us, the cancellation of this critical benefit.

**1140**

More of our clients are remaining in unsafe housing due to lack of maintenance and if there's domestic violence because they don't have the money to get out. They do not have the housing funds to get out of those situations. We're noting deeper poverty and situational crisis with our clients.

Low-income residents in Peterborough have become the victims of a political shell game. When we speak to our MPP, Jeff Leal, and to Minister McMeekin, we are told that the municipality should use some of the savings that it has realized since 2010 from the upload of caseload costs of OW and ODSP to the province and that these funds and upload savings should cover provincial funding cuts to things like discretionary benefits and the cancellation of CSUMB. But when we speak to the municipality, we are told, "We are not responsible for this problem. This is the province's doing. We don't have the money. The upload savings are being used elsewhere." They say that in 2010—actually, it was in 2008, I

believe, when they negotiated for those uploads. They say, "We were told we could use this for roads and bridges and potholes. We weren't told that we were going to have to use it for social assistance costs." Another point that they make is that if we have good benefits here in Peterborough, then poor people from the surrounding communities and counties will flood our community to access them. There's the rationalization to not put the money into these benefits.

Our recommendation for budget 2014 is—and this is our key recommendation: Put housing benefits back into social assistance. The removal of CSUMB from OW and ODSP was a mistake, and it's had terrible impacts on individuals and families on social assistance. The change runs contrary to the tri-party goal of poverty reduction.

In the short term, 2014, the legal centre asks that budget 2014 include \$42 million in transitional funding to municipalities for 2014, with the requirement that municipalities use all provincial funding intended for CSUMB-like benefits for that purpose. We want to put money in the pockets of our clients. The reality is that that money gets spent immediately in the community. It goes to landlords. It goes to moving companies. It goes to retailers that are selling furniture when furniture needs to be replaced or whatever. In the longer term—for us, that's budget 2015 because we think we have to move quickly on this—CSUMB should be reinstated as a mandatory, needs-based, social assistance benefit.

Our further recommendations for budget 2014 are as follows. First, a comment on budget 2013: There were some positive changes for people on low incomes in that budget. There was a modest increase to social assistance rates, increased employment exemptions for both OW and ODSP, and increased asset exemptions and gift exemptions for people receiving OW. The legal centre recommends that budget 2014 build on this momentum with the following changes.

Treat child support payments as earned income and make pursuit of child support voluntary. This would encourage women to pursue support in order to increase their incomes, while at the same time it would protect those who are at risk of violence. So you understand: If you treat it as earned income, then the first \$200 would be exempt; it would not be deducted from social assistance and then thereafter would be deducted at a rate of 50%. This would encourage women to seek support, but it would not penalize and force women who are in fear of violence to have to pursue support.

Treat Canada pension plan disability benefits as earned income. This would encourage people on OW and ODSP to pursue CPP in order to increase their incomes, and it could, in fact, lead to an overall reduction in social assistance expenditures as more folks access Canada pension disability.

Increase the Ontario Child Benefit by \$100 in order to benefit all low-income families, including those on social assistance. In 2014, we call on the government to stop the practice of clawing back the OCB increase from families on social assistance through cuts to basic rates. That is

just not defensible. By doing that, the government is saying that they will claw back from the poorest of the poor in this province.

Enhance the special diet allowance to include some discretion where a worsening of a health condition can be slowed or stopped through diet. In these instances, funding a special diet would save the province future health care costs. One example—my client—of this would be to provide a special diet allowance to a person with an impaired kidney function to cover the costs of a renal diet in order to avoid further deterioration and future need for dialysis, which would be hugely expensive. My client was born with one kidney, and her second kidney is not operating very well. But it's operating just well enough to put her above the cut-off level. She takes from every other area of her budget—which is meagre; she's on ODSP—to pay for a renal diet because she has to have a renal diet. She has a whole host of health care problems, and this is just one of many. It's just ridiculous that she does not get additional funding for a special diet for her condition.

Of course, the old favourite that you've no doubt heard over and over again: Increase OW and ODSP rates. Poverty occurs when incomes are inadequate, and I suspect nobody here is going to argue and suggest that OW and ODSP rates are adequate. Until the province determines a measure of adequacy, as suggested by the social assistance review commission, and until it develops a plan to achieve adequacy, rates should be increased annually by 3% for all recipients of OW and ODSP and for their dependent family members. Of course, last year, the 1% rate increase for recipients of ODSP did not extend to their dependent spouses and children, which was very odd. It looks again like the welfareization of disability.

Diverting funds from one group of recipients to fund and increase assistance for others is simply not acceptable. You don't reduce poverty by taking funding from one group of poor people and giving it to another group of poor people. We have to be more creative, and if it requires a gas tax, I'm all in favour of it, quite frankly—just to comment on the previous question.

I would like to thank you for the opportunity to make this presentation. We look forward to a 2014 budget that has a focus on poverty reduction.

**The Chair (Mr. Kevin Daniel Flynn):** That's great, Martha. Thank you very much. There's time for a very, very short question or a thank you or a—Jonah?

**Mr. Jonah Schein:** Sure. How much time do I have?

**The Chair (Mr. Kevin Daniel Flynn):** Thirty seconds.

**Mr. Jonah Schein:** Thank you for your persistence in coming in and delivering this message year after year. It's important; I hope it's heard soon.

Do you have any quick comment on, in the recent ice storm emergency, if CSUMB would have played any role compared to the kind of problem we had with cards?

**Ms. Martha Macfie:** Yes. Probably more in the form of discretionary benefits, although—

*Interruption.*

**The Chair (Mr. Kevin Daniel Flynn):** Finish that sentence.

**Ms. Martha Macfie:** Okay. I'm trying to think whether it would have played—it probably would have, in terms of accessing vital services and heat utilities and that sort of thing, and alternative sources of those things to cover during that period.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Martha. Thank you very much for coming today.

**Ms. Martha Macfie:** Thank you.

## SAVELOCALSCHOOLS

**The Chair (Mr. Kevin Daniel Flynn):** Let's move on. Our next delegation is Bill Templeman. Bill, if you'd like to come forward and make yourself comfortable; 15 minutes like everybody else. Use that time any way you see fit. If there is any time at the end, the questions will come from the government side this time. The floor is all yours, Bill.

**Mr. Bill Templeman:** Thank you very much, Mr. Chair. Rather than launch into a formal presentation—I know that 15 minutes is a ridiculously short time to have a discussion, but I would welcome to the extent that my suggestion meets the protocols of your committee that we have a dialogue, because this is very complex material. It's hard to cover briefly.

Anyway, to introduce, my name is Bill Templeman. I'm with, actually—

**The Chair (Mr. Kevin Daniel Flynn):** Bill, before you go on, just so you're clear on how we operate here: What happens is, for each of the delegations, the questioning is assigned to one party, so your chances of achieving a dialogue are probably slim. If you could gear your remarks to the entire committee, the questions will still come from this side.

1150

**Mr. Bill Templeman:** Absolutely. Great, thank you.

I'm with SaveLocalSchools, a group of interested community members and parents concerned about current Ministry of Education and school board policy towards dealing with the low enrolment problem across Ontario. A soft copy of this document will be forwarded at a later date, before January 23. Of course, there's more information on our website, which is noted there right at the top of the single sheet.

The context is—and let me set that for you—the Ministry of Education and local school boards across Ontario are confronting a low-enrolment crisis, if you will. The birth rate is dropping, and except for areas that are experiencing significant immigration—the GTA, for example—school populations are dropping across the province. The MOE is responding to this crisis by appearing to do nothing to prevent school boards from closing neighbourhood schools and older schools in favour of consolidated programs and busing students to large regional schools. The MOE—Ministry of Education—is failing to intervene in school board decisions to enforce cost effectiveness.

The recommendations I'm going to put forward for budget 2014 and going forward have to do with sorting out this very complex relationship between the ministry and local school boards to drive more cost effectiveness in decision-making.

To walk through the individual points: Low enrolment, of course, is a huge challenge for educators and schools and communities. Half-empty schools really limit programming options. For example, in a school of 1,000, 1,200 or 1,500 students, you can offer German, you can offer advanced calculus, you can offer robotics. In a school of 500 to 600, it's much more difficult—also for mandatory courses, even. Certain French courses that you need to graduate—in a large school you can offer them every semester. Well, you can't offer them every semester in smaller schools. There is a bias in the system towards larger schools being, from a managerial point, more effective. Half-empty schools, of course, have building costs. This is all, of course, driven by the MOE's funding formula.

The MOE's response to the situation is school consolidation: busing of students to offer more programming options in bigger schools. The MOE's vision, as far as we can ascertain, is that every secondary school, and indeed elementary school, can offer the full Ontario curriculum. Administratively, that's very attractive, to be able to offer the breadth and depth of the Ontario curriculum. Practically, it's unworkable because not all schools have to be all things to all students. Our experience here in Peterborough is that small, specialized schools have been very successful, yet the MOE's funding formula drives school board decisions, and school boards do not consider busing as an expense, as these costs are covered by the MOE. Even though the busing costs generated by a large conglomerate, consolidated school are borne by taxpayers, it comes out of the pocket of the taxpayer that goes to the provincial taxes, not to the municipal property taxes, which school boards consider theirs. It's a shortsighted way of looking at these expenses. We would advocate an all-in accounting approach.

The fourth point: MOE needs to make their accommodation review guidelines binding on school boards in order to enforce fiscal discipline and respect for tax dollars. Right now when a school board sits down to decide on school closures—and by the way, there are some alternatives to school closures I'll get to later—the MOE provides guidelines: "This is what you should do." But the local boards are free to do whatever they want. At the end of the day, we would like to see these made binding so that we can have business decisions made by school boards that make sense for taxpayers.

Point five: The problem with consolidated schools is that research has shown—this is research in Canada, from OISE, from Dr. Kenneth Leithwood, which will be included in my soft copy, and also substantial research from the States—that the large conglomerate schools tend to have inferior behavioural and academic outcomes. Now, this is not in every case, but on average they tend to be productive of less desirable outcomes,

and there is a lack of cost savings. So a school board will shut a smaller school and consolidate to a larger school, saying, "We're going to save money," and at the end of the day, that money is not saved, the research shows.

Probably around the table there are—certainly more than myself can remember the late 1980s and early 1990s, when the Soviet Union unwound and there was much conversation about the peace dividend. Right? We were all going to get a peace dividend because we didn't have to keep—particularly the Americans didn't have to keep their standing air force jets in the air at all times to respond to a missile attack. Where did the peace dividend go? Well, history has taken care of that.

Similarly, we ask these days, "Where is the low enrolment dividend?" I can speak to specific numbers in Peterborough. School populations five or six years ago were 4,000 students in secondary schools. Next year, there are going to be around 2,300—almost half. So that's fewer teachers, less space. The naive taxpayer says, "Therefore, it's going to cost us less." Anyway, that consolidation appears to have been absorbed by this consolidation drive.

To point 6, the impact of school consolidation—I'll just finish up a point on point 5. The research shows it's better to renovate and keep doing with the current schools, even the old schools, rather than to build new. Again, I'd like to refer to family experience in Ontario. There have been a number of references this morning to reduced incomes, poverty and so on. What families do when income is reduced is they make do. Shoes get re-heeled; clothes get patched. If there's a car, it gets repaired rather than replaced with new, etc. We ask, why aren't Ontario school boards doing the same thing? Why this drive for new construction in spite of the fiscal challenges? What's happening is that poor business decisions are being made by trustees who in many cases lack the experience in strategic business decision-making. This is in regard to closing schools and consolidating schools.

The impact of school consolidation on communities is manifold and flows in a number of different channels. There's a lack of alignment with Places to Grow legislation of the Ministry of Infrastructure. However, it's not binding, so the ministries need to act in alignment and respect each other's regulations. So if the Ministry of Education does nothing when a local school board closes a downtown school, as happened here in Peterborough, that flies in the face of the guidelines for Places to Grow. Places to Grow says we need strong urban hubs in small cities across Ontario to maintain economic viability, to maintain property values, etc. The school boards don't have to follow this.

So what happens is that there are lower property values, there are small business impacts, there are environmental impacts in terms of increased busing, to say nothing of safety. There's less walking and biking to schools, with fitness impacts, and increased transportation costs, which, again, school boards don't deal with because it's coming out of the provincial pocket. They

say, "It's not our problem." Well, it is our problem. It's my problem as a taxpayer. Where's the recognition of this?

There are alternatives to consolidating schools, point 7. There's a shared use of community schools, and this has happened in many large urban centres in the States, whereby a school that's half empty is sectioned off. Empty space is used to rent out to local appropriate community groups, and thereby students can share their building with community groups, where in the Ontario situation they could do their 40 hours of community service right in the building. So there are alternatives that exist elsewhere.

**The Chair (Mr. Kevin Daniel Flynn):** Bill, could I ask you to stop there just for a second? You do the same thing I do. I lean in too closely to the mike, and it pops for the guys at the other end.

I just wanted to tell you that you've got about four minutes left, so use your time as you see fit.

**Mr. Bill Templeman:** Great; thank you very much. Almost done.

We suggest, from a cost point of view for budget 2014-15, that you keep neighbourhood schools open and provide the enhanced programming options online.

1200

A cluster of schools for program diversity: What that means is, taking Peterborough as an example, you could have a science high school, a technology high school, an arts high school, a French immersion high school, and students use those resources within a community, as opposed to building a large conglomerate school and busing everyone there.

Point 8: The research findings are that smaller schools are less costly to operate and have better learning and behavioural outcomes. If we think about it for a minute, in a small school—the school that I know well, PCVS in Peterborough, that, sadly, was closed in 2012—a teacher could walk out the front door—the school was built in 1908—look down the corridor to the left, look down the corridor on the right, and see several hundred students.

Moreover, with a population of 800 students, everyone knew everyone, so the bad actors had a harder time playing their game. It didn't take a rocket scientist to figure out who stole what or who was causing strange odours of marijuana coming from the washroom; they knew. However, in these large schools, now over 1,200, 1,500 students, it becomes like a huge shopping mall. "Who did the shoplifting"? "Well, we don't know." People don't know each other. And of course, there are gang problems and drugs etc. that are easier to police in the smaller schools.

The program advantages of large schools are overridden by student academic performance results. In other words, students don't do as well in the larger schools. Therefore, the program advantages of wider offerings are overridden.

So, suggestions for savings—my last point, point 9:

—Return small school boards with local control. This would ensure fiscal discipline.

—Renovate old neighbourhood schools rather than build new suburban super schools.

—The MOE needs to provide more direct governance over school boards to monitor spending.

—The school closure process is very costly for boards and communities as it stands now. Insist that boards follow the binding ministry guidelines.

—Finally, the MOE must set binding rules for up-to-date facility condition reports—these are essential documents in the school closure process—to make school closure decisions. Some will need to be closed still—I acknowledge that—but in many cases, many of these schools can be saved by shared usage.

That's the end of my presentation. If there are any questions, please.

**The Chair (Mr. Kevin Daniel Flynn):** That's great. Thank you. You've left about 45 seconds, so it's going to have to be a very brief question. Dipika?

**Ms. Dipika Damerla:** Given the short time, I just wanted to thank you very much. If you have a chance—I would be interested—later on, you can send us the numbers. I'm curious, when you say that a consolidated school is more expensive to run—

**Mr. Bill Templeman:** Yes.

**Ms. Dipika Damerla:** —and I'm assuming one of the reasons is the busing cost that's not costed in. I'm curious to see if you have numbers for the increase in busing costs versus the reduction in principals or whatever.

**Mr. Bill Templeman:** Yes, an increased administration adds up, so the costs are not—

**Ms. Dipika Damerla:** So could you share that?

**Mr. Bill Templeman:** Yes, happily.

**Mr. Bas Balkissoon:** Is there time left?

**The Chair (Mr. Kevin Daniel Flynn):** There's about five seconds.

**Mr. Bas Balkissoon:** Quickly, when you say "return small boards with local control," are you talking about control or the taxation process that existed before?

**Mr. Bill Templeman:** That existed before.

**Mr. Bas Balkissoon:** Okay. I thought so.

**The Chair (Mr. Kevin Daniel Flynn):** Very good. Thank you, Bill. Thank you very much for coming.

#### WOODGREEN COMMUNITY SERVICES

**The Chair (Mr. Kevin Daniel Flynn):** Welcome back, another group, WoodGreen Community Services. If you'd all like to come forward—Brian, Anne, Sydney and Peter.

**Mr. Brian Smith:** Actually, our local partner here in Peterborough is with us.

**The Chair (Mr. Kevin Daniel Flynn):** Wonderful.

**Mr. Brian Smith:** I'll introduce her.

**The Chair (Mr. Kevin Daniel Flynn):** Have a seat. Make yourselves comfortable. Same as yesterday, Brian: 15 minutes, and the rules haven't changed.

**Mr. Brian Smith:** We're not stalking you, but we are passionate about this issue, about transitioning women-led families from being dependent on social services to

being independent and self-sufficient, and about having a return to government, from an economic perspective.

I've shortened the presentation and, hopefully, if there are some questions, I'd be glad to answer them more. The full presentation is in the package that you've got, but I didn't think members who were here yesterday would want me to read the same thing again.

**The Chair (Mr. Kevin Daniel Flynn):** The floor is all yours.

**Mr. Brian Smith:** Thank you. As I said, my name is Brian Smith, and I am the CEO of WoodGreen Community Services in Toronto. I'm here today with our local Homeward Bound replication partner from Peterborough, Bonnie Clark. Bonnie is the chair of the board of the Peterborough Housing Corp. I'm also joined by WoodGreen's chief operating officer, Anne Babcock, as well as Sydney Blum, WoodGreen's senior manager for Homeward Bound replication.

As you heard yesterday, WoodGreen Community Services' Homeward Bound program brings together all of the key supports required to help homeless or precariously housed single mothers break the cycle of poverty. An award-winning four-year program, Homeward Bound provides women and their children with wrap-around supports, including affordable apartments, goal-oriented case management, on-site child care, tutoring and after-school programs for children and youth, financial literacy education, parenting support, psychotherapy, and trauma counselling.

What makes Homeward Bound distinct from other transitional housing programs is that, in addition to our integrated services and supports, the program also provides participants with academic upgrading, employment and life skills training, a subsidized two-year college diploma aligned to the local labour market, and real professional experience through guaranteed internships and employment opportunities with local employers who participate in the innovative Homeward Bound Industry Council.

For the Toronto-based Homeward Bound, the industry council is comprised of senior-level human resources executives from all of the major banks, law firms, and IT corporations. In other cities, such as Peterborough, our Homeward Bound replication partners are developing industry councils with a cross-section of employers with employment opportunities that meet the current demand in the local labour markets.

Homeward Bound is an evidence-based program with a success rate of 80% for its graduates and current participants. In 2013, WoodGreen partnered with the Boston Consulting Group, who provided pro bono social return-on-investment for the Homeward Bound program. BCG found that Homeward Bound has a proven economic benefit.

Using data from the first group of participants in Homeward Bound, the Boston Consulting Group found that Homeward Bound returned \$4 back to society for every \$1 invested in the program. Homeward Bound participants who complete college and become fully self-

sufficient generate \$295,000 of cumulative benefit to society, or, put in net present value, \$176,000. The future cumulative societal benefit of Homeward Bound's first cohort of participants is estimated at \$10.3 million. Finally, Homeward Bound's success rates have continued to improve since the first cohorts of participants. As a result, the value created by the program continues to grow as well.

WoodGreen's Homeward Bound program has not only been a success locally but has generated significant interest in communities across Ontario who are looking to break the cycle of poverty for local single mothers living on a low income and without safe, stable housing.

There are currently two Homeward Bound replications being developed; one is here in Peterborough, led by our partner the Peterborough Housing Corp. The other Homeward Bound replication is based in Oakville in the Halton community, and being led by Home Suite Hope, a transitional housing and services provider. In both replications, local municipalities, colleges, employers and other service providers are all collaborative partners working with the local lead organizations.

In addition to Boston Consulting Group's social-return-on-investment analysis for WoodGreen's Homeward Bound program, WoodGreen is also currently working with our partners in Peterborough and Halton to develop social-return-on-investment forecasts for replications in their communities. Our vision is not only to create an opportunity for single-parent families in Ontario to thrive, but to also continue to demonstrate and measure the impact of Homeward Bound in every community where the program exists.

## 1210

Our request: As Homeward Bound expands its reach and undertakes research and development around applying the model on a large scale, WoodGreen Community Services is respectfully asking for funding of \$1.9 million for operating costs of the Homeward Bound program. Hopefully, we will return to you \$4 for every one of those invested.

The program works. The results are proven. Let's work together to give struggling single mothers across Ontario a chance to change their lives and, more importantly, also the lives of their children forever. Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Very good. Thank you, Brian. You've left quite a bit of time for questions from the Conservative Party, just over seven minutes. Doug?

**Mr. Douglas C. Holyday:** I don't have seven minutes' worth.

**Mr. Brian Smith:** I can fill up the other amount.

**Mr. Douglas C. Holyday:** We'll give you a chance.

You're aware, I guess, that the government's proposing that they might install new taxes to pay for transit. I'm just wondering, with your experience with the less fortunate and people who don't have a lot of disposable income, what impact that's going to have on the people you deal with.

**Mr. Brian Smith:** In terms of the families that we serve, we're really wanting them to be self-sufficient. We

have set a target of them earning a salary of \$40,000 when they come out of the program so they can be independent and they're not going to be on social assistance, like OW; so they can be taxpayers. In fact, at the last graduation I had one of the women who had graduated formerly before us. She came up to me and was so excited because she had paid taxes for the first time. They feel really part of our society when they've been able to transition and not be totally dependent.

Whatever those costs for additional services, I think what I would say is that what we're interested in is spending money smarter, and I think this is one of the programs that will allow the government to do that.

**Mr. Douglas C. Holyday:** Yes, it might be that the income tax might be new to them but they certainly have paid taxes in other ways and they've probably been a contributor all along in some way, shape or form.

How many people now are in the program? I think you mentioned—

**Mr. Brian Smith:** Right now in the Toronto session, we have 76. We've built two apartment buildings, through private donations primarily. We've had actually over \$9 million of private sector donations from Ed and Fran Clark, from TD Bank, from the Counselling Foundation and many more.

There are 76 families at any one time transitioning through the program. To date, we've had 176 families and 217 children in the program that have gone through in Toronto. We're in the process, as I said yesterday, in the Oakville-Halton community, of working with our partner, Home Suite Hope. They're looking to start small and gradually expand, similar to what we did in Toronto, and work with single mothers in their community to allow them to transition to independence.

In Peterborough, I'll ask Bonnie to comment on that.

**Ms. Bonnie Clark:** Yes. We certainly have the full support of the board of the Peterborough Housing Corp. to deal with affordable housing, subsidized housing, and we see there is a tremendous need. A lot of presentations before you here today are asking for money because people are so impoverished in this area. We're asking for money but we're asking that this money that we're spending—the result of it will be getting out of poverty and a return.

We've set aside five units. We'd like to do five units every year. We're working very closely with different industries here in this municipality; also Sir Sandford and Trent, which Peterborough is known for. We've had the Royal Bank certainly involved in talks; the YWCA.

This is an ongoing process, but if I can just reaffirm the fact that there's a long-term plan and the money is to get people out of poverty and not have that second generation. I think that in the duplication in Toronto, we've seen women who are now—in fact, one has even bought her own condo in Toronto. I don't know if I could do that myself on my income. She came out of this program and actually has two sons, I understand, who have graduated with university degrees as well. So what we're trying to do is set out a template to help, but with a future.

I might add that we do have support from our MPP, Jeff Leal—a written letter of support in regard to that. Also, maybe I'd ask Sydney to speak as well. I'm really hoarding it, I guess, because I feel so impassioned.

*Interjection.*

**The Chair (Mr. Kevin Daniel Flynn):** Did you have another—

**Mr. Douglas C. Holyday:** I did, but I'll certainly give him the opportunity to express what he wants.

You mentioned that you wanted \$1.9 million this year?

**Mr. Brian Smith:** Yes, and that would be invested in Toronto, in Peterborough, in Oakville and in two other municipalities that have not been determined at this point. Although we've had a lot of requests, we just don't have the resources to go out and negotiate and spend that, but we've had numerous communities approach us to implement the program. It's just that there are only so many hours in the day, as I'm sure you know.

**Mr. Douglas C. Holyday:** How much did you get last year?

**Mr. Brian Smith:** We've been doing this primarily on the backs of private donors for 10 years. It's been sort of cobbled together. As I said, in 10 years, we've had just over \$9 million. It's in the larger presentation, which is in your package—very, very generous.

But philanthropy has a limit. They've done, basically, the research and development to prove that the program works, and there is a return on investment. Now, we're basically coming to government to say, "If you invest, we will have a return on that investment to you: lower OW rates, because these women move off OW; better health costs for their children, because many of them have health issues as a result of the poverty they've been in—there's a whole range." We provided the Boston Consulting Group report in the package as well for you, and we'd be glad to go and answer that in more detail, if anyone would like.

**Mr. Douglas C. Holyday:** Thank you very much. I don't know if my colleagues have—

**The Chair (Mr. Kevin Daniel Flynn):** You've got a minute left. Laurie, did you have something?

*Interjections.*

**Ms. Laurie Scott:** Sydney, do you want that minute? Just go ahead, Sydney, whoever Sydney is.

**Ms. Sydney Blum:** Sure. Hi. Just talking about the social return on investment, one of the pieces that we're doing—the Boston Consulting Group looked at basically the first generation of participants in the Homeward Bound program. Now what we're doing is actually SROI forecasting for each of our replication communities. So as we're working with Peterborough Housing to develop the program here in Peterborough, by this summer or this fall we'll be able to give you an estimate of what the impact of that program will be, even as we're implementing it for the very first group of participants.

**Ms. Laurie Scott:** Has there been—

**Ms. Sydney Blum:** We have—

**Ms. Laurie Scott:** Oh, go ahead.

**Ms. Sydney Blum:** So one other piece that's just worth mentioning as well is that we're partnering with the Ontario Federation of Indian Friendship Centres to do some community-based research looking at how we can also adapt this model for the urban aboriginal community. That piece of work requires being done in a certain way that's very culturally aware and in true collaboration with those communities, but that's another piece, and we'll also be looking at and measuring the impact for those communities as well.

**Ms. Laurie Scott:** Thank you—very informative. Thank you very much.

**Mr. Brian Smith:** Thank you very much for your time. We appreciate that.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you all for coming again. Thank you.

#### MS. JOANNE BAZAK-BROKKING

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation this morning is Joanne Bazak-Brokking. Joanne, is that you?

**Ms. Joanne Bazak-Brokking:** That's me.

**The Chair (Mr. Kevin Daniel Flynn):** Come on forward. I hope I got your name right.

**Ms. Joanne Bazak-Brokking:** That's good.

**The Chair (Mr. Kevin Daniel Flynn):** Well, hey.

You have a seat. We'll hand them out for you. Make yourself comfortable. Like everybody else, you get 15 minutes. Use that any way you see fit. If there's any time over at the end, the questions will come from the NDP.

**Ms. Joanne Bazak-Brokking:** Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** You're welcome. Welcome.

**Ms. Joanne Bazak-Brokking:** Thank you so much for this wonderful opportunity to participate today. I will be focusing on the perspective of a community member.

I'm an occupational therapist with 36 years of experience working with persons with disabilities, with severe mental illnesses—schizophrenia, psychosis. My work brings me into the community, into the homes of people, to the workplace, to their schools, to anywhere people are—and it is this work that has led me to want to present today at this pre-budget consultation, not only because of the desperate poverty of the people who I work with, but also, more significantly, their tremendous courage, determination, hard work and need for more opportunities.

1220

The purpose of the Poverty Reduction Act, as you know, is to establish mechanisms to support a sustained long-term reduction of poverty in Ontario. The act received unanimous, all-party support, with a commitment to update the province's Poverty Reduction Strategy every five years. We're anticipating the release of the new Poverty Reduction Strategy sometime this month, but the recognition of key poverty reduction priorities and the compelling need to include investment in reducing poverty is what has propelled me to present today.

Ontario's vision for poverty reduction is a place where every person has the opportunity to achieve his or her full potential and contribute to and participate in a prosperous and healthy Ontario. That is a vision that we can embrace.

Poverty reduction is not only a priority for people across the province, but it is also a legal responsibility of this and every succeeding government. My purpose today is to talk with you about investment in poverty reduction initiatives, with a focus on persons with disabilities, and two priorities for the 2014 budget. One is the funding for housing stability assistance to replace community start-up and maintenance, and second is the retaining and enhancing of the Ontario Disability Support Program to enable people with disabilities to live with opportunity, dignity and health and to increase the adequacy and opportunity.

It is recognized that there has been progress with poverty reduction. I know that the latest report indicates that 47,000 children and families were lifted out of poverty from 2008 to 2011, but this progress is being severely impacted by the austerity budget of 2012, with significant funding cuts to discretionary and housing benefits and its discontinuation in January 2013.

The ripple effect of this devastating loss of community start-up and maintenance continues to impact communities across the province, with a growing homelessness and housing crisis. This crisis will only increase in March 2014, when the transitional funding is depleted. I realize that some of my friends and colleagues have already presented to you about this impact.

When you look at the table on page 2, it is intended to be a model of, what are the key elements of poverty reduction and opportunity for people to in fact be able to work? Without stable housing, nothing else happens, so the cuts to community start-up and maintenance have been absolutely devastating.

You will see on the second chart that the provincial funding allocated to housing stability in Peterborough has been reduced from 2008 to \$0.7 million, and there is no question that that has to have an impact on people, because this is how they pay for last month's rent, rent and arrears, for any kind of emergency housing—anything at all. Without a stable housing base, nothing else happens. It is for this reason that there is an urgent need for provincial investment.

With respect to ODSP, I will come to the conclusions and recommendations that I'm leaving with you on your handout, but I'm hoping to be able to discuss some key points. The Ontario Disability Support Program has played a vital role in the health, employment and participation of people with disabilities in an inclusive Ontario. The challenge with where things are at in looking at ways to cut costs is that there has been a recommendation by several key reports—the Drummond report, the Brighter Prospects report and, most recently, the white paper by the Conservative government called Welfare to Work—to in fact dismantle ODSP and merge it with Ontario Works. It is very important to bring forward the point

that this would be disastrous for people with disabilities and would set them back. ODSP is a unique income and employment support program that is based on sound policies that recognize the abilities, diversity and needs of people with disabilities. While there is a need for improvement, there is a solid policy rationale for retaining this valuable program.

It has been stated by John Stapleton in his recent report, The “Welfareization” of Disability Incomes in Ontario, that the increasing demand on ODSP is problematic. But for persons with disabilities, it’s the only system that emphasizes providing workplace and employment supports along with the structural incentives to work and actually succeed with goals of getting a job and keeping a job. And that is my absolute joy and privilege as a person working as an OT. I recognize the difference between the amalgamated ODSP-OW system and then the change to—like, the old family benefits system and the tremendous improvement of ODSP and this valuable program. There are so many aspects of ODSP that make a difference with the goal of increasing opportunities, recognizing abilities and improving employment outcomes.

There’s also the really important point that not all people with disabilities are going to be able to get a job. To expect this is not only unrealistic; it’s inappropriate and downright dangerous. And that’s what has been proposed in several of these reports, including Brighter Prospects and the white report recently launched in January. The reality is that for some people, their daily job of getting up and living as independently as possible in the community is their work. For others, volunteering and contributing to the community is making a contribution to the economy, and it is really important in today’s world and labour market to recognize that this is a contribution, even though it doesn’t lead to paid employment.

I’m feeling that there’s so much to convey about how important this is, but I will focus on the recommendations.

First, for poverty reduction it is absolutely critical and fundamental to invest in a preventative approach to poverty and homelessness by establishing adequate funding for housing stability and homelessness-related needs to replace the Community Start-up and Maintenance Benefit—at the very minimum, to make permanent the \$42 million in transition funding for critically important housing and homelessness funds that at least were covered through the community homelessness prevention initiative called CSUMB.

Secondly, an important recommendation is to retain and strengthen ODSP as a separate program designed to meet the diverse and specialized needs of people with disabilities that, first of all, provides income support and security for people who cannot work, and also with adequate rates to meet life’s necessities and to live with dignity and health. The current ODSP rates are woefully inadequate for people to pay for shelter, food and the other basic necessities of life. That has been a message that has been delivered to the province year after year

after year, but when you’re in the community and you see the absolute poverty of people—people not having enough money for food, not being able to afford the bus, not being able to afford housing, and the suffering and indignity this causes, yet, on the other hand, the tremendous courage and determination of people to keep trying, keep working and to try and get well.

1230

Strengthen the employment supports with increased opportunities and investment in a continuum of employment opportunities that are evidence-based, that actually work to enable people with disabilities to achieve their goals and increase their income—if it was as simple as sitting down and making a pathway to employment plan, people would be working. It takes so much more than that.

There are very solid evidence-based programs and opportunities, and some are listed there: supported employment, social enterprise, self-employment, small business with micro-financing, partial and flexible employment, looking for the hidden job market for people who can work part-time or work casually that will really help lift them out of poverty; and, finally, volunteer work, to really recognize the diversity of participation and volunteer contribution to the economy and to the community, and to provide people who volunteer with a participation allowance.

Finally, the successful transformation of disability income programs requires careful consideration of the whole system, and that includes the employment supports that are attached with the work world. To that point, I think that John Stapleton’s report, The “Welfareization” of Disability Incomes in Ontario, is an invaluable resource that was released in fall 2013. One of his key recommendations is that, if we really want to address the poverty and reform social assistance and reform disability support, we need to create a commission that’s dedicated to the task of disability system transformation supported by all levels of government, private and non-private sectors; so, not to look at ODSP in isolation and target it as the program that needs to be cut, but rather look at what is working and retain that. He actually identifies the model of ODSP as one that could be used for all income supports for persons with disabilities.

Sorry. I feel like I’ve been—pressure of speech.

**The Chair (Mr. Kevin Daniel Flynn):** You didn’t leave a whole lot of time left for questions, unfortunately. Jonah, you’ll have to be really quick.

**Mr. Jonah Schein:** Joanne, thanks so much for coming in and taking time out of your day job to come and do this. We’ve heard from countless people already this morning echoing the things that you were saying here. What do you think it’s going to take for the government to get the message that these are investments, that we pay the long-term costs in health care or in a number of ways? What is it going to take for people around this table to bring that message back?

**Ms. Joanne Bazak-Brokking:** That is a critical question and one that I’ve really, really grappled with. I

think that the evidence of how poverty affects health is so powerful at this point in time. The Ontario Medical Association now includes an assessment of poverty as part of a medical assessment. They've released new documents this past fall. So it's not something that we don't recognize, that if we invest in poverty reduction initiatives, if we invest in programs and enable people to be lifted out of poverty, then they will, in fact, have better health and will reduce health care costs. The scientific evidence for that is unequivocal.

**The Chair (Mr. Kevin Daniel Flynn):** Joanne, I'm going to have to cut you off there, but I think that was a good way to end. Thank you very much for coming today.

**Ms. Joanne Bazak-Brokking:** Thank you.

#### SCARBOROUGH HEALTH COALITION

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation this afternoon now is from the Scarborough Health Coalition. Kingsley, are you with us?

**Mr. Kingsley Kwok:** Yes, I am.

**The Chair (Mr. Kevin Daniel Flynn):** Come on forward and take a seat. Make yourself comfortable.

Have a seat. Like everybody else, you get 15 minutes; use that any way you see fit. If there's any time left over at the end, it will go to the government side.

**Mr. Kingsley Kwok:** Good afternoon, members. My name is Kingsley Kwok. I chair the Scarborough Health Coalition, a local chapter of the Ontario Health Coalition. I see on the agenda today that an acquaintance from the Peterborough Health Coalition may have made a presentation to you this morning, so it may not surprise you that there may be overlap of information that I'm going to be presenting.

**The Chair (Mr. Kevin Daniel Flynn):** Hearing something twice is not a bad thing, so keep going.

**Mr. Kingsley Kwok:** I believe Mr. Koch is distributing my submission to you now, the pre-budget submission.

There are six recommendations from the Scarborough Health Coalition, and there is a brief overview of budget issues as they relate to health care.

There is a new plan from the Ministry of Health and Long-Term Care to move hospital services to independent health facilities. On December 17, 2013, approval of the proposed regulation 353/13 in the Independent Health Facilities Act, effective January 1, in concert with changes in the Local Health System Integration Act, will practically give licence for specialty clinics and independent health facilities to take out hospital services if the local health integration network allows and funds.

The Scarborough Health Coalition believes that the Public Hospitals Act already allows the ability of the ministry to work with hospitals to set up non-profit specialty clinics. Evidence shows that independent health facilities have serious oversight problems regarding costs, quality and safety.

The first recommendation of the Scarborough Health Coalition is that if reorganization of hospital services is planned, it should take place under the rubric of the Public Hospitals Act, and independent health facilities should not be expanded.

Imagine your loved one is going for a procedure. It could be cataract surgery, if your parents can't see anymore. It could be a colon exam. There's a recommendation out there right now to get your butt checked; you can be any age over 40, I think. You can get it done in an independent health facility. You can get it done in a hospital. Your family physician will have to refer you.

Because of the flat-line budgeting of funds to hospitals from the ministry right now, hospitals use these procedures to generate revenue to cover other, bigger expenses. So if a local health integration network is going to just say, "Hospitals, don't bother with these simple ones. This doctor is opening up a separate corporation to open up a speciality clinic to just do these simple ones," your hospital—it could be a Peterborough hospital, it could be a Scarborough hospital, it could be Rouge Valley, it could be St. Joseph's in Etobicoke—then all of a sudden they have to make up for lost revenue because some other doctor somewhere outside the hospital has taken that chunk of revenue that OHIP would divert or the local health integration network would divert. It would mess up a hospital budget.

I have some evidence in my submission about safety or additional user fees that are charged to patients on this. I won't go over that. You can read that if you want.

1240

The second recommendation the Scarborough Health Coalition is recommending is that the government should place a moratorium on cuts to hospital services. Like I already said, hospital-based operating funding was held to a 0% increase in 2013-14, and continual pressure on hospital budgets has meant cuts to needed services across hospitals and the offloading and privatization of hospital clinics and services.

I'll just give you one local example. The Scarborough Hospital, which is composed of several satellite sites and Scarborough Grace and Scarborough General, in 2013, as of June, had cut one outpatient physiotherapy clinic, two operating rooms, five emergency stretchers—you can cut those—30 medical and surgical beds and the 35-year-old rheumatology clinic, with an annual visit of 2,000 patients, to try to balance and find an efficiency of \$15 million. I have a source; the quotation here is from the Toronto Star.

In addition, the Central East Local Health Integration Network has also cut budget allocations for cataract surgeries by more than 1,000 procedures and hip and knee surgeries by 150 procedures. So not only will the hospital have to grapple with fewer funds for expenses; it actually affects patient care because, like I was saying, anybody's loved one who needs cataract surgery will have to wait longer, because the allocation to the hospital has been cut. If it's an elective hip surgery, an elective knee replacement surgery, an elective partial knee sur-

gery, those people will have to wait longer in Scarborough.

The third recommendation: Real protections for rural and small community hospitals are needed. Full public disclosure on the use of previously announced funding should be made. I come from Scarborough. It doesn't really apply to me, but for communities in Leamington, Picton and Wallaceburg, they have suffered devastating cuts to hospital services, which had a severe impact on local access to care.

The fourth recommendation: Home care should be reformed to create an equitable public home care system and ensure that public funding is used for care. The government's increases in the funding of home and community care are, I'm sorry, not sufficient to meet existing backlog or to take the increasing offloading of patients and services from hospitals and long-term facilities.

I'll give you an example. This is a quotation from the Toronto Sun about a patient, 84-year-old Joanne Stokman. In November 2012, she had her hip replacement surgery done at the Rouge Valley, Ajax and Pickering hospital. Two days later, she went home. She was discharged. The Central East Community Care Access Centre during her stay did not set up any plan for discharge, so for two weeks she had no home care other than her daughter and her neighbours taking care of her. I didn't make this up; this was reported in November 2013, a year after she had that surgery. At the end of the two weeks, her daughter finally called and said, "What's going on? Why is my mom not getting home care?" That's when they realized that she slipped through the gaps. What she did get was one hour of home care twice a week for eight weeks. That's it.

I really wish the government, if it's going to cut hospital funding and supposedly replace it with community funding and home care funding, would really come up with home care funding, please.

Two more recommendations. I'm almost done.

The fifth one: Long-term care minimum care standards should be adopted to provide accountability for public funds, improve outcomes and protect against harm. By the Ontario Health Coalition's calculations, 20,000 Ontarians remain on wait-lists for placement in long-term-care homes. Hospitals are discharging patients under the Home First policy without care in place. Patients go home to wait for placement in long-term-care homes. A lot of the time, they do not know that long-term care is an option. In addition, the high acuity of hospital and mental health patients downloaded into long-term care means that higher care levels are required to meet their needs. I am recommending a required minimum care standard of four hours of hands-on care per resident per day.

Finally, I have a local example in Peterborough for the following recommendation, which is to stop the P3 privatization of Ontario hospitals. In 2008, the Auditor General, after the audit of the Brampton Civic Hospital public-private partnership project, concluded "that the all-in cost could well have been lower had the hospital

and the related non-clinical services been procured under the traditional" approach rather than the P3 approach.

I have a table on page 6 that compares the Peterborough Regional Health Centre that opened in 2008 here, which was procured under a public model, versus the William Osler Health Centre in Brampton, which was done under the alternative finance procurement model. Granted, the number of beds in each hospital is a difference of slightly more than 100: 494 in Peterborough versus 608 in William Osler. The total capital cost was \$197 million, excluding equipment, in Peterborough; \$650 million, excluding equipment, in Brampton. The total cost, including contracts and equipment, in Peterborough was \$276 million. Just costs, including equipment, in Brampton: \$900 million, and more than \$3 billion if you include the service contracts and the interest, based on the P3 model.

Ontario is lagging behind other provinces in health care funding.

Am I close to 10 minutes now?

**The Chair (Mr. Kevin Daniel Flynn):** You've got two minutes left in the entire presentation—about two and a half minutes. If you're going to leave any time for questions, it's up to you. Or if you prefer to—

**Mr. Kingsley Kwok:** I'll take my time for questions.

**The Chair (Mr. Kevin Daniel Flynn):** Okay, super.

**Mr. Kingsley Kwok:** The overview is a lot of statistics; I'd rather not bore you with that.

**The Chair (Mr. Kevin Daniel Flynn):** Some of it we did hear this morning, you're right, but some of it is new, obviously.

It comes from the government side. Dipika.

**Ms. Dipika Damerla:** Thank you so much for coming here all the way from Scarborough. I hope it was a good drive, not too bad.

**Mr. Kingsley Kwok:** There were some flurries, but I made it through.

**Ms. Dipika Damerla:** Just very quickly, I'm very sympathetic to what you say. I, personally, would not support for-profit. My understanding is that hospitals can bid on these—whatever they're called—

**Mr. Kingsley Kwok:** Independent health facilities?

**Ms. Dipika Damerla:** Yes, facilities. They would have that ability, so your concern around them losing their budget would be, sort of, mitigated that way, but in a lower-cost environment, because hospitals are, by definition, higher cost. These are lower risk, but I agree with you; they need to be regulated well and make sure the quality of care is there.

I did want to leave you with one last thought, that in Ontario, when you go to a GP, you're essentially going to a private practice. I just wanted to leave you with that though.

**Mr. Kingsley Kwok:** The OHIP—sorry, if there are other questions? That was a comment, so I don't know whether—

**Ms. Dipika Damerla:** No, I'm—

**Mr. Kingsley Kwok:** I don't want to waste time commenting for you if there are other questions.

**The Chair (Mr. Kevin Daniel Flynn):** No, no, the questions will all come from this side. The way we do it is on a rotational basis.

**Mr. Kingsley Kwok:** Okay, all right.

Mr. Balkissoon, are you going to comment, too? I don't want to take up my two and a half minutes—

**Mr. Bas Balkissoon:** I think she's asked her—

**Mr. Kingsley Kwok:** Thank you very much.

So, imagine this: Let's say for the Scarborough Hospital, which has an eye centre—two operating rooms, five days a week—to do cataract surgery—they are already doing cataract surgery based on funds from the Central East LHIN. Yes, they can fix around their budget model and say, "Okay, let's open something else off-campus to do cataract surgery."

**Ms. Dipika Damerla:** But if that meant you could do more cataracts with the same money without compromising health care, would you support it?

**Mr. Kingsley Kwok:** I would assert that out of the total of the ophthalmologists who are practising there, two of them are doing more than 15 cases per day—close to 20 cases per day—two of them. The two doctors are great; they are really fast. The volumes are slightly lower than the Kensington Eye Institute that is so touted by the minister and the institute itself, but I would have to see the Kensington numbers to compare them with the Scarborough Hospital.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much for coming, Kingsley. It is appreciated.

**Mr. Kingsley Kwok:** Thank you very much.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you for your presentation.

#### TRILLIUM ENERGY ALLIANCE INC.

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation this morning is Jeff. Where's Jeff Mole? There you are. Jeff, come on forward. You've got a spot on an agenda I see.

Like everybody else, you have 15 minutes. Use that any way you see fit, Jeff. If there is any time for questions at the end, they will come from the Conservative Party.

1250

**Mr. Jeff Mole:** For Hansard, my name is Jeff Mole. I'm a community enterprise consultant with Trillium Energy Alliance.

Mr. Chair, there is potentially \$100 billion at stake here, so I beg your indulgence if I go a little long.

It is our mission to build the capacity to give willing communities across Ontario the necessary tools to assess sensible local energy opportunities so they can participate in Ontario's vibrant energy market.

We submit that it is imperative that the government seriously investigate our proposal if Ontario is to create significant jobs and economic investment in the renewable energy sector. Let me be perfectly clear: I am not suggesting development of so-called green energy

projects in communities that are unwilling to host these projects.

On October 3, 2013, I was invited by the finance minister to a consultation about Ontario's path to jobs and growth. It seems inevitable that Ontario's 2014 budget will contain strategic investments that create jobs, foster economic growth and attract investment in Ontario. It is our submission that Ontarians expect their government to endeavour to obtain the maximum return on these investments.

Mr. Chair, on page 33 of Ontario's Long-Term Energy Plan—I've attached it as appendix A—it's revealed that Ontario plans to procure large sums of new renewable energy, worth approximately \$10 billion, over the next two years. It is our submission that the clean energy sector, under the right conditions, could be worth \$100 billion to communities.

It is our submission that Ontario needs a community enterprise model that will enable communities to capture their fair share of this market while creating jobs, growth and economic investment, and while ensuring the maximum return on investment for Ontario taxpayers and ratepayers.

Sir Adam Beck once said, "The gifts of nature are for the public." In speaking about Ontario, he said, "Nothing is too big for us. Nothing is too visionary." In our vision, local renewable energy opportunities will be developed for the betterment of the people of the whole of Ontario and/or for the betterment of the local community.

We have developed a province-wide enterprise model for job creation, which enables communities to provide for the protection, conservation and wise management of our resources, our environment, and Ontario's social and economic interests. We submit that a strategic partnership with us will enable a better renewable energy process, which in the long-term reduces the bureaucratic burden on government and saves money.

A community enterprise is a co-op without share capital that creates jobs and generates economic activity, with a view to investing the surpluses or profits for the betterment of the community. A co-op is a business run by a group of people who get together to develop a business that meets their needs and provides member benefits.

The co-operative structure provides each member with a vote on the affairs of the corporation. This model, when applied to the business of renewable energy generation, is commonly referred to as community energy. We submit that this model creates a democratic governance structure which can be used to determine if a community is a willing host. This reduces the burden on local governments.

Most small and medium-sized communities don't have the capacity to take advantage of the electricity market, but they should. In order to create jobs and stimulate their local economies, it is in the public interest that the 2014 budget includes measures for the advancement of community energy. These measures will give Ontario communities the tools they need, including the seed money

and access to affordable capital, to develop sustainable community energy businesses.

Job creation is an urgent priority in 2014. The measures contained herein will enable community enterprise to create jobs and economic activity in the energy sector. The spinoff benefit is a democratic process and surplus revenues which are used to build sustainable communities.

We submit that there are similar models in other jurisdictions. However, we also submit that ours is a truly made-in-Ontario innovation.

In the 2013 speech from the throne, in the 2012 feed-in tariff review, and in statements made by members of cabinet, it's the government's position that active participation of communities, community buy-in, and willing hosts are key criteria for approval of energy proposals. Our business model enables these criteria to be met.

On March 22, the Ontario government completed a feed-in tariff program review of this renewable energy procurement program. The government stated that, "Active participation of communities is important to the continued success of the FIT program," and the government acknowledged that "most local community and aboriginal projects require more time to mobilize."

Mr. Chair, in January 2013, I spoke with Kathleen Wynne on Newstalk 1010 with John Tory. Here is the transcript of what Ms. Wynne and Mr. Tory said to me:

Ms. Wynne said, "So, Jeff, here's what I've been saying in my campaign: We really need to have more community buy-in. You are absolutely right. I agree with you there. We need to make sure that communities see the benefit of having this large energy infrastructure in their communities. We need a better process to create that buy-in, whether it's co-ops or whether it's better consultation. So I'm willing to look at how we can get that community buy-in so that we've got willing hosts for this green energy, and also, so that we can have communities participating in the production of renewable. So I think you're on to something there."

Mr. Tory then states, "All right, well that certainly has been a subject of great controversy. It probably cost you some seats in the last election because people were mad about the whole wind power thing in particular."

Ms. Wynne replies, "I think part of the reason, John, is that we didn't have that good community process, you know? And we need more of that...." Then, Ms. Wynne goes on to indicate that she is committed to this.

Well, Mr. Chair, here we are a year later and communities still do not have the necessary tools. Other than our model, there is no better process on the horizon. Assessment of new electricity generation opportunities is a proponent-driven process. To achieve active participation of communities in the production of renewable energy, communities must be mobilized to become proponents of community enterprise.

We have been encouraging the government to take a leadership role in mobilization since Brad Duguid was the energy minister. It's our submission that the government must act now if we're going to take renewable energy off the agenda for the next election.

We ask that the committee recommend a strategic investment of \$5 million in Trillium Energy Alliance to enable us to mobilize communities across the province so they can participate in renewable energy in a meaningful way. It is our submission that we can deliver outcomes that create jobs, job stability and job retention across rural and northern Ontario. We undertake to ensure effective oversight and efficient use of the budgeted funds.

The budget measures contained herein will enable Trillium Energy Alliance to facilitate creation of regional community energy businesses that assess the possibility of development of local energy opportunities in a more sustainable manner. These businesses enable communities to actively participate in the possible development of renewable energy in an open, transparent and democratic manner.

We've made a significant contribution to the people of Ontario. I had hoped someone would be here to speak about this. We have expended a great deal of time, effort and research in perfecting the community enterprise model and explaining it to members on all sides of the government and to the public. This is done in the sincere belief that we have found a better process that is in the public interest.

My research in community energy began in 2007. In 2010, I founded Ontario's first regional energy community enterprise in Muskoka. Trillium Energy Alliance was formed in 2011 by a group of experienced community energy enthusiasts with a mission to disseminate our knowledge across the province on a not-for-profit basis.

We submit that we have created a community energy model that works and helps maintain our standard of living. However, we have also identified that there are gaps and hurdles to the province-wide implementation of this model. It's imperative that the 2014 budget contain omnibus measures that would help clear away the barriers to a better process for assessment of local energy opportunities.

The pressing issue is this: It's our submission that the average citizen expects these large electricity-generation projects to be of benefit to the public.

### 1300

Opportunities to develop community energy on crown land have reached a critically low level. Furthermore, the ability to transmit and consume the electricity is also at a critically low level.

The problem is that private corporations are taking control of very valuable electricity generation opportunities. Ontarians have made and continue to make a huge investment in electricity generation and distribution. We provide public land; we fund the costs through our electricity bill. We provide a public electricity grid for distribution, and Ontarians have to live with the impacts.

One could argue that private electricity generation is a waste of money for Ontarians. We need a better process to get the maximum return on our investment in electricity generation. We need a better process to get the maximum benefit for the public.

With the Electricity Act, 1998, and with the Green Energy Act, 2009, new private energy projects have produced very little financial benefit for communities, and communities have had little or no say over the proponent-driven environmental assessment process. This often creates social friction, hostility and division amongst community members. Corporations are extracting excessive profits from communities across Ontario for their absentee shareholders, yet, as we've seen many times, when energy projects are cancelled, Ontarians are left on the hook for these failed proposals.

It is time we brought an end to energy boondoggles. There is an alternative.

Yes?

**The Chair (Mr. Kevin Daniel Flynn):** Jeff, I've stopped the clock, so I'm not stealing any of your time. I just wanted to let you know that you've got about three minutes left.

**Mr. Jeff Mole:** Great. I should finish on time.

**The Chair (Mr. Kevin Daniel Flynn):** If you want to just guide yourself accordingly.

**Mr. Jeff Mole:** Thank you.

We submit that our solution is a sensible model which creates the framework for communities to have a respectful dialogue about the need, options, impacts and potential benefits of local renewable energy opportunities. There is an alternative to development of renewable energy opportunities for the financial gain of private developers. The alternative solution involves mobilizing communities and financial resources so opportunities can be assessed with a view to providing economic benefit to communities. Active participation can be achieved by mobilizing community enterprises to assess these local opportunities. This model is in the public interest. It provides a very high return on investment for Ontarians. I can give examples if asked. However, our model ensures that surplus revenues are reinvested for the betterment of communities and Ontario as a whole.

Mr. Chair, we ask that the committee recommend that a staff report on our business case be prepared in aid of recommending additional omnibus measures to ensure a better process for community energy. We submit that it is critical that the budget contain these omnibus measures to protect opportunities to generate and transmit community energy using public resources.

I'll skip over—well, no, I'll tell you: Mr. Chair, we ask that this committee recommend including the following measures in the budget:

—Amend the Public Lands Act to prohibit the disposition of publicly owned waterfalls and crown land for energy projects for financial gain.

—We would ask that the Electricity Act require that all new and existing power purchase proposals contain a minimum of 50% equity participation of a local renewable energy community enterprise or a public utility.

—Amend the Electricity Act to ensure that all remaining grid capacity is set aside for development of community energy projects and/or public utilities.

—Invest in community enterprises by directing the Ontario Financing Authority to facilitate not-for-profit

community enterprise access to financing for soft costs and capital costs through a community energy loan guarantee program.

And, of course, we need money to run our project too.

Through my research, I have determined that our proposal is consistent with the energy and economic policies of all three political parties. I can elaborate if asked later. However, I submit that most of the MPPs I've spoken with see a benefit in supporting our proposal.

In conclusion, according to the Brundtland commission, sustainable development means that which "meets the needs of the present without compromising the ability of future generations to meet their own needs." It's not sustainable to allow private corporations to take off with these energy generation and transmission projects. However, the development of community energy is seen as an improvement of these limited resources because it enables future generations to better meet their needs.

Mr. Chair, I ask that the committee recommend a report to determine if this is true. We submit that thousands of Ontarians want the government to declare clearly and forcibly that community energy projects are wanted, needed and will be promoted. If not, we ask that the government let us know accordingly, so we can move on.

If community energy is wanted, then let us work with and partner with the government to develop a workable community energy model.

**The Chair (Mr. Kevin Daniel Flynn):** I'm going to have to stop you there, Jeff—everybody has the rest of the presentation—just to be fair to everybody.

**Mr. Jeff Mole:** Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** But thank you very much for your presentation. Very well done.

**Mr. Jeff Mole:** Thanks, everyone.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Jeff.

#### TOURISM INDUSTRY ASSOCIATION OF ONTARIO

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation this afternoon is from the tourism industry association. Beth Potter, if you'd like to come forward.

**Ms. Beth Potter:** Good afternoon.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Beth. Welcome. Like everybody else, you get 15 minutes. Use that any way you see fit. If there are any questions, or any time for questions, that questioning will come from the NDP.

**Ms. Beth Potter:** Wonderful. Thank you. Good afternoon. My name is Beth Potter, and I'm the president and CEO of the Tourism Industry Association of Ontario or, as we call it, TIAO. TIAO is the recognized umbrella association that advocates on behalf of the tourism industry as a whole on issues affecting our industry.

The tourism industry is in every riding in Ontario. It represents approximately 149,000 businesses and more than 305,000 employees, and brings in \$23.6 billion each

year in receipts. Our industry is larger than the agriculture, forestry and mining industries combined.

Ontario tourism and hospitality is vast and varied and includes attractions, festivals, events, accommodations, conventions, recreational activities, camping, culinary and more. Despite the economic climate here in Ontario, in Canada and around the world, tourism remains the world's fourth-fastest-growing industry. More than one billion international visitors produce more than \$1 trillion in global receipts every year.

Here at home, for every \$100 spent by non-resident visitors, \$15.60 is generated for the provincial government. For every \$100 spent by resident visitors, \$12.74 is generated for the provincial government. The more visitors, the more visitor spending, and the greater the influx of revenues to the provincial coffers.

When Premier Wynne attended the 2013 Ontario Tourism Summit this past November, she shared her thoughts on the tourism industry, stating that it has tremendous potential for growth and that there are unique ways we can harness that potential. Partnerships between industry and government will create a positive environment for growth in the tourism industry, thereby adding to the GDP and fostering opportunities for job creation. To enable this, TIAO strongly encourages the government of Ontario to continue to invest in tourism through existing programs and funds; work with the industry to attract new investors for product development and refurbishment; and continue to support workforce development and skills training in the tourism industry so that we can continue to create and provide jobs for more than 305,000 Ontarians.

By "continuing to invest in tourism," we mean maintaining current budgets—for example, the Ontario tourism marketing partnership budget, the Celebrate Ontario funding, the Tourism Development Fund and other tourism, culture and sport program funding.

Marketing is the lifeblood of tourism. Without the capacity to market broadly and consistently, Ontario's tourism industry will not be competitive. This is particularly important with respect to the American market, which the Canadian Tourism Commission has pretty much abandoned and which still accounts for nearly 80% of Ontario's international visitors.

We also request a long-term commitment to funding for the regional tourism organizations. The RTOs were set up as a result of the 2009 Discovering Ontario report and currently receive funding on an annual basis from the Ministry of Tourism, Culture and Sport. This funding needs to be a stable funding allocation to allow for the RTOs to expand the work that they are doing on destination development and marketing efforts, including workforce development, investment attraction and product development. Two thirds of visitors to Ontario are from Ontario, and thus a continued investment in market and product development is vitally important, to keep our domestic visitors engaged.

We also encourage the continuation of the convention development fund, as it helps eligible Ontario cities

offset key costs to attract increased convention business and visitor spending. The fund is only used in bidding on new international and national conventions. These conventions are city-wide in scope and will use at least three different local convention hotels and bring in a minimum of at least 400 peak room nights. The economics of these conventions are significant. Past examples include the success of the 2011 International Indian Film Academy Awards that attracted close to 50,000 delegates, and the 2012 Microsoft convention that attracted 15,000 delegates from 130 countries.

### 1310

Ontario needs to grow the number of visitors coming into this province from traditional markets such as the UK, Europe and the US, as well as emerging markets such as China, India and Brazil. By working with our partners across the country, Ontario can leverage its marketing dollars to draw new visitors and increase visitor spending. Destinations within Ontario need those financial resources through a sustainable funding model to be able to compete in the international market for these international visitors.

New investment is vital to the growth of the tourism industry. Working with the industry to establish processes and leadership to attract new investors is essential for product development and refurbishment in our province. The Ministry of Economic Development, Trade and Employment, along with the Ministry of Tourism, Culture and Sport, is committed to working with tourism industry leaders on investment attraction, but a further commitment from other key ministries is essential. Streamlining application processes and reviewing legislation with a focus on planning coordination and cross-ministerial approval processes will bring success to these efforts.

A great example of an industry and government working partnership is the success of the new Ripley's Aquarium in Toronto, Ontario's newest attraction, which is expected to attract two million visitors in its first year and generate approximately 360 new jobs, and they're well on their way to that. After four weeks, they had passed through the gate over 400,000 visitors.

We also would ask for continued support around workforce development and skills training in the tourism industry so that we can continue to create and provide jobs for Ontarians. Tourism and hospitality businesses are the largest employers of young people. Under the guise of the Ontario Tourism Workforce Development Strategy, TIAO has undertaken to complete a tourism-as-a-career business and communications plan. Support for the implementation of this plan is essential to ensuring a strong tourism workforce in Ontario. It will also be important to ensure that tourism is a key industry when implementing the youth jobs strategy.

Our industry offers so many amazing opportunities. They're not just seasonal jobs and they're not just part-time jobs. There are full-time, full-year jobs available in marketing, product development and more. The possibilities are endless for young people who want to carve out a role in our evolving industry and help them see tourism as a career path, not just a summer job.

On behalf of TIAO and our members, I thank you for your time and continued support for our industry and would be happy to answer any questions at this time.

**The Chair (Mr. Kevin Daniel Flynn):** Wonderful, Beth. Thank you very much. You've left about seven minutes. Michael, Jonah?

**Mr. Michael Prue:** Yes, a couple of questions from the things you've said. I take it you're not asking for additional funding; you're just asking that the funding continue from the last budget. That's more or less what I heard.

**Ms. Beth Potter:** We are asking for the funding to continue and that tourism not be targeted for any cuts.

**Mr. Michael Prue:** Okay. So as is; you're just happy to go forward with what you got before.

**Ms. Beth Potter:** Continued, yes. However, we would like to see a longer-term commitment to the RTO funding. I think currently it is committed to the end of 2015, and obviously we want to see it continue past that.

**Mr. Michael Prue:** You made a comment that American tourists are not being targeted even though they make up 80%. I have been very frustrated—I go to these conferences in the United States, and then we invite them back here and they won't come because they don't have a passport. They seem singularly unable to leave the continental United States.

**Ms. Beth Potter:** Yes.

**Mr. Michael Prue:** And these are politicians. I don't know how we get around this insularity if we are to grow that market. They don't seem to want to allow themselves to grow it.

**Ms. Beth Potter:** We are seeing, in recent years—in the past two years—an uptick in the number of Americans who are carrying a passport, which is wonderful. The Canadian dollar certainly has an impact on American visitors as well. There are changes happening on that front, but the fact of the matter is that we need to convince them to come back. They are reluctant to leave their home country and travel north across the border. So we need to continue to be delivering our message that we have a great place to visit.

**Mr. Michael Prue:** Almost every place that I travel to, at least in the United States, has a hotel tax. I pay it wherever I go, and that money is used for tourism. We don't have one, and I have heard from the industry in the past that you don't want one.

**Ms. Beth Potter:** We don't have a hotel tax. In Ontario, we have a voluntary destination marketing program whereby hotels can voluntarily agree to participate in contributing to that destination marketing program through their local hotel association. Whether or not they choose to—how they choose to collect that money or find that money to make the contribution to the plan—the program is up to the hotelier. It is up to them to choose whether they pass on the cost of participation directly to the guest through an additional percentage on their bill, or whether they take it as a portion of their sales.

**Mr. Michael Prue:** Now, is that as successful? Because when I turn on the television, I see ads for New-

foundland that are brilliant. I see ads for Las Vegas. I see ads for Arizona. I see ads for across the United States. I very seldom see any ads for Ontario. I think this is all being paid for mostly from hotel taxes. Am I wrong?

**Ms. Beth Potter:** I don't think that you are wrong. I think that there certainly is a significant provincial marketing budget, or state budget, as well for those programs. The Brand USA program in the States has been very successful, and I believe that at the national level—in fact, I know that at the national level—they're trying to convince the federal government to initiate a similar type of program to try to encourage the Canadian Tourism Commission, along with its provincial partners, to aggressively go after the American market again.

**Mr. Michael Prue:** I'm just trying to think. I'm reluctant—no, no. I'm going to give it up. I think I've asked enough questions. You're very good.

**Ms. Beth Potter:** Wonderful. Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much, Beth, for coming today.

## ONTARIO COMMUNITY SUPPORT ASSOCIATION

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation of the afternoon is the Ontario Community Support Association.

Chris, make yourself comfortable. If you have a handout, the Clerk will take it from you.

**Ms. Deborah Simon:** I do. And I'm not Chris; I am Deborah Simon. Chris is working with us. It's my pleasure to be here this afternoon. I understand I'm the last one between now and your break, so—

**Mr. Joe Dickson:** Save the best for last.

**Ms. Deborah Simon:** Save the best for last.

**The Chair (Mr. Kevin Daniel Flynn):** Okay. Fifteen minutes, like everybody else. You use that any way you see fit. If there is any time left over at the end, it will go to the government side.

**Ms. Deborah Simon:** Okay, great. Thanks for this opportunity to appear before the committee and provide a perspective from the Ontario Community Support Association—we refer to ourselves as OCSA—and present on our asks for the 2014 Ontario budget.

For those of you who are not familiar with our organization, let me tell you a little bit about us. We are a network of hundreds of not-for-profit agencies providing home and community support services to over one million Ontarians, including organizations right here in Peterborough.

Providing cost-effective health care to an aging population is the health public policy challenge of a generation. Ontarians and Canadians may be living longer, but we're not becoming healthier. A recent House of Commons health committee showed that the number of years lived in good health peaked in 1996, and it's been on a downward slide ever since.

As we know from our work with elder communities in Ontario, the majority of seniors have at least one chronic

condition and as many as one in four have two or more. But most startling is that 5% of our health care users rely most on our health system, and account for as much as two thirds of the public expenditure.

Fortunately, we have a pretty good blueprint on all these challenges and seize the opportunities. You will no doubt be familiar with Dr. Sinha's report, released last winter, which is intended to guide the government's Seniors Strategy. In it, Dr. Sinha persuasively laid out arguments in favour of transforming our health care system into one that focuses on community, with a particular focus on home and community support.

1320

His report also expanded on arguments that OCSA has made previously that home and community care services are more publicly affordable to the government. As was noted, caring for seniors at home costs 67% less than care in long-term-care homes and 95% less than providing that same care in hospitals. We know that people don't want to be in hospitals, nor is it healthy for them to be there.

So we're conscious of the government's health care objectives to effectively deliver quality health care services and to help prevent people from getting sick or requiring acute care. In fact, these are the objectives of our sector.

Along with Dr. Sinha's recommendations, the OCSA has welcomed the Ontario government's funding increases to home and community support in the last two consecutive budgets. Even with designated increases in the last two budgets, we are still behind on maintaining the necessary infrastructure, as budgets had been previously frozen for several years.

Allow me to explain. Our agencies are struggling to pay 2013 costs for wages, rent, electricity, gas and supplies—in other words, infrastructure that's integral to the sector—with 2007 dollars. The inflation rate, not compounded, has increased 11% over this time, representing a serious shortfall in necessary revenue.

We have asked all we can of our clients. We run very effective operations, but unless this shortfall is resolved, we are concerned that waiting lists will persist, efforts to improve quality through modern technology will stall, and greater costs to the ministry will accumulate as patients are forced to remain in more expensive hospital beds or long-term-care beds.

Just as a bricks-and-mortar-hospital may need the construction of a new wing to treat additional patients, home and community support agencies require certain infrastructure investments in order to serve an expanding number of clients. The OCSA has presented options for addressing this funding shortfall while remaining within the government's fiscal framework, including allowing a small portion of targeted funding to be used for administrative purposes.

I urge you to consider these options. Acknowledging and addressing the reality that local agencies are facing is a key determinant in ensuring the effective delivery of the quality results the government and public rightly seek.

Another ongoing concern is the shortages of home and community health workers. One of the reasons for the difficulty in recruiting and retaining workers is the disparity in compensation and working conditions between our community health sector and the institutional health sectors. The recruitment and retention challenge is magnified by the inability of agencies to offer wage increases for personal support workers, or PSWs, due to the absence of base funding increases. For some agencies, this may create labour difficulties which threaten client services.

We must ensure, to meet the future demand for home and community services, that there is sufficient funding flexibility afforded to sector agencies to attract and retain qualified PSWs. Also, while there is progress being made towards addressing the quality of training provided to PSWs, appropriate resources to support the development and monitoring of training criteria are still required.

We further recommend that, in your 2014 budget, we be provided with sufficient funds to address wait-lists and projected future demand—

**The Chair (Mr. Kevin Daniel Flynn):** Can I jump in there, Deborah? These are really sensitive microphones, and everybody's tendency is to lean into them—

**Ms. Deborah Simon:** Is that me? Oh, sorry.

**The Chair (Mr. Kevin Daniel Flynn):** —so feel comfortable to relax and sit back a bit.

**Ms. Deborah Simon:** Oh. I thought all that banging was somebody else, and it was my voice. I'm sorry.

**The Chair (Mr. Kevin Daniel Flynn):** Everybody does the same thing, so don't feel bad.

**Ms. Deborah Simon:** Okay. Thank you.

We further recommend that the 2014 budget provide sufficient funds to address the wait-lists and projected future demand for both community support and attendant outreach services. There are many communities for which these services are actually short or nonexistent, and an investment in this area would support the ministry's key directives under the health action plan.

In closing, OCSA encourages MPPs to think strategically about investing in home and community services now so that we will save the government money in the near future and improve the health care of Ontarians. I thank you for your attention today, and I would be pleased not to lean into the mike, but to answer your questions with regard to my presentation. Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Deborah. A great presentation.

Questions? We've got about seven minutes. Dipika?

**Ms. Dipika Damerla:** Well, thank you so much for coming and making a very comprehensive presentation. I'm going to borrow a leaflet from my senior colleague here, MPP Prue, and ask you: Have you costed out some of the recommendations that you are making?

**Ms. Deborah Simon:** Yes.

**Ms. Dipika Damerla:** Can you give us some idea of what those costs might be in terms of the budgetary pressure it would place?

**Ms. Deborah Simon:** Over the last two years, the ministry—and we're thrilled that they have done this—has been investing anywhere from 4% to 6% of funds into home and community support. We think that this is a great investment. It is a large pot of community support agencies to invest those kinds of dollars in.

In terms of straight millions of dollars, I can't give you an actual number on that, but I can tell you that compared to a comparative investment in institutional care, \$1 million in home and community support goes a whole lot further than when you invest in the hospital.

So we would like to encourage the current government to continue with that 4% to 6%—I think it was 6% in the last budget—in community investments, but really look at a targeted investment in community support, which is different from the CCACs, as you know, because we provide services such as Meals on Wheels, community dining, all of those supportive services that keep seniors in their homes.

**Ms. Dipika Damerla:** My other question: I was quite intrigued when you said—I think you said 1996 was the year we peaked not in longevity, but probably in quality of life. Could you speak to that a little bit? What are the factors and—

**Ms. Deborah Simon:** Sure. I think there are a number of factors, but certainly we're hearing more and more about the impact of obesity, diet and diabetes on the population as a whole. What you're seeing now is people living longer with chronic disease. In my presentation, I mentioned that seniors now are on average carrying one to two chronic diseases. Therefore, that cost is exponentially lengthened over supporting people who are now living longer.

Why did we peak in 1996 and go down? That's probably something, I think, for public health to understand, why the population is not as healthy as it used to be. But it probably really is directly a factor of just living

longer, so therefore living, now, with more chronic disease.

**Ms. Dipika Damerla:** Thank you very much.

**Ms. Deborah Simon:** You're welcome. Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Any other questions?

Thank you, Deborah. Thank you very much for coming today. We appreciate it.

**Ms. Deborah Simon:** Thank you very much. I appreciate it.

**The Chair (Mr. Kevin Daniel Flynn):** And say hi to Chris for us.

**Ms. Deborah Simon:** I will.

**The Chair (Mr. Kevin Daniel Flynn):** Those darned male/female names.

I understand the committee wants to deal with one more motion before we recess to Toronto, and that is that there's been a suggestion that—the Clerk was saying that we'd be on our own for lunch tomorrow. There's a delegation that could be put in at 12 o'clock, and lunch could be brought in. The committee could meet from 12 to 12:15, have lunch brought into the room and have a 45-minute lunch in the room.

Dipika, I've talked to Mr. Fedeli and I've talked to Mr. Prue about this. If you want to put the motion forward and see what the committee does with it.

**Ms. Dipika Damerla:** Thank you, Chair. Building on what MPP Flynn said, I move that the Toronto Mental Health and Addictions Supportive Housing Network be added to the agenda at 12 noon for the Toronto consultation of the Standing Committee on Finance and Economic Affairs, to be held on Thursday, January 16, 2014.

**The Chair (Mr. Kevin Daniel Flynn):** Is there any discussion on that? Seeing none, all those in favour? Those opposed? That motion is carried. Thank you.

We're adjourned to Toronto. Thank you very much.

*The committee adjourned at 1328.*







## **STANDING COMMITTEE ON FINANCE AND ECONOMIC AFFAIRS**

### **Chair / Président**

Mr. Kevin Daniel Flynn (Oakville L)

### **Vice-Chair / Vice-Présidente**

Ms. Soo Wong (Scarborough–Agincourt L)

Mr. Steven Del Duca (Vaughan L)

Mr. Victor Fedeli (Nipissing PC)

Ms. Catherine Fife (Kitchener–Waterloo ND)

Mr. Kevin Daniel Flynn (Oakville L)

Mr. Douglas C. Holycday (Etobicoke–Lakeshore PC)

Ms. Mitzie Hunter (Scarborough–Guildwood L)

Mr. Monte McNaughton (Lambton–Kent–Middlesex PC)

Mr. Michael Prue (Beaches–East York ND)

Ms. Soo Wong (Scarborough–Agincourt L)

### **Substitutions / Membres remplaçants**

Mr. Bas Balkissoon (Scarborough–Rouge River L)

Ms. Dipika Damerla (Mississauga East–Cooksville / Mississauga-Est–Cooksville L)

Mr. Joe Dickson (Ajax–Pickering L)

Mr. Jonah Schein (Davenport ND)

Ms. Laurie Scott (Haliburton–Kawartha Lakes–Brock PC)

### **Clerk / Greffier**

Mr. Katch Koch

### **Staff / Personnel**

Ms. Susan Viets, research officer,  
Research Services

## CONTENTS

Wednesday 15 January 2014

Pre-budget consultations .....	F-557
Hon. Jeff Leal	
Ontario Association of Residences Treating Youth .....	F-557
Mr. Mark Williams	
Kawartha Child Care Services .....	F-560
Ms. Sheila Olan-MacLean	
Peterborough County-City Health Unit.....	F-562
Dr. Rosana Pellizzari	
Peterborough Health Coalition.....	F-564
Mr. Roy Brady	
Peterborough Poverty Reduction Network.....	F-567
Ms. Diane Therrien	
Peterborough Poverty Reduction Network.....	F-569
Ms. Tara-Lyn Prindiville	
Durham Region Home Builders' Association.....	F-572
Ms. Anita DeVries	
Mr. John Martyn.....	F-574
No Casino Peterborough .....	F-576
Ms. Carleen Johnson	
Northumberland Community Legal Centre.....	F-577
Ms. Teresa Williams	
Peterborough Community Legal Centre .....	F-580
Ms. Martha Macfie	
SaveLocalSchools .....	F-582
Mr. Bill Templeman	
WoodGreen Community Services.....	F-584
Mr. Brian Smith	
Ms. Bonnie Clark	
Ms. Sydney Blum	
Ms. Joanne Bazak-Brokking .....	F-587
Scarborough Health Coalition.....	F-589
Mr. Kingsley Kwok	
Trillium Energy Alliance Inc. ....	F-591
Mr. Jeff Mole	
Tourism Industry Association of Ontario.....	F-593
Ms. Beth Potter	
Ontario Community Support Association .....	F-595
Ms. Deborah Simon	

A20N  
XC25  
F31

F-22



F-22

ISSN 1180-4386

## Legislative Assembly of Ontario

Second Session, 40<sup>th</sup> Parliament

## Official Report of Debates (Hansard)

Thursday 16 January 2014

Standing Committee on  
Finance and Economic Affairs

Pre-budget consultations

## Assemblée législative de l'Ontario

Deuxième session, 40<sup>e</sup> législature

## Journal des débats (Hansard)

Jeudi 16 janvier 2014

Comité permanent des finances  
et des affaires économiques

Consultations prébudgétaires



Chair: Kevin Daniel Flynn  
Clerk: Katch Koch

Président : Kevin Daniel Flynn  
Greffier : Katch Koch

### **Hansard on the Internet**

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. The address is:

<http://www.ontla.on.ca/>

### **Index inquiries**

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.

### **Le Journal des débats sur Internet**

L'adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance est :

### **Renseignements sur l'index**

Adressez vos questions portant sur des numéros précédents du Journal des débats au personnel de l'index, qui vous fourniront des références aux pages dans l'index cumulatif, en composant le 416-325-7410 ou le 325-3708.



## LEGISLATIVE ASSEMBLY OF ONTARIO

**STANDING COMMITTEE ON  
FINANCE AND ECONOMIC AFFAIRS**

Thursday 16 January 2014

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

**COMITÉ PERMANENT DES FINANCES  
ET DES AFFAIRES ÉCONOMIQUES**

Jeudi 16 janvier 2014

*The committee met at 0900 in room 151.***PRE-BUDGET CONSULTATIONS**

**The Chair (Mr. Kevin Daniel Flynn):** Let's call to order. Welcome back, to those committee members who have joined us around the province.

**CANADIAN FEDERATION  
OF INDEPENDENT BUSINESS**

**The Chair (Mr. Kevin Daniel Flynn):** Our first delegation this morning is the Canadian Federation of Independent Business. Plamen and Nicole, please come forward. The committee has decided to give 15 minutes for delegations; use that time any way you see fit. If there's any time left over before the 15 minutes expire, the questioning will come from the Conservative side. The floor is all yours.

**Mr. Plamen Petkov:** Good morning, everyone. My name is Plamen Petkov. I'm the vice-president for Ontario at the Canadian Federation of Independent Business. I am here today with my colleague Nicole Troster, who is the senior policy analyst for Ontario at CFIB. We really appreciate the opportunity to be here today and to present small business recommendations for the 2014 Ontario budget. We have prepared a brief presentation for you, copies of which you can find in the folders that were distributed to you earlier. The presentation is on the right-hand side.

I'll turn it over to Nicole to walk you through the first few slides.

**Ms. Nicole Troster:** I just want to tell you a little bit about CFIB. CFIB is a not-for-profit non-partisan organization. We represent 109,000 members across the country, with 42,000 in Ontario. Each week, our representatives make over 2,000 personal visits to member businesses across the province. Our mandate is set through our surveys; basically, our policy positions are based on direct member feedback. We're 100% funded by memberships, which means that we don't receive any money from outside organizations.

If you flip to slide 3, you'll see that CFIB represents every major sector of the economy, from retail to construction to agriculture.

On slide 4, you'll see the Business Barometer. This is something that we put together every month based on a

survey with members. It demonstrates small business confidence and their short-term expectations on a number of indicators. What you can see is that the index has been very, very volatile in the last year and it's actually trending downwards. When it's mapped beside GDP, it very closely resembles GDP. What happens is that organizations such as TD Bank, the Bank of Canada, Bloomberg News, for example, use this index as a very important economic indicator.

If you go to slide 5, you'll see that one of the questions that we ask in that survey, for example, is about costs that are causing the greatest difficulties for small businesses. You'll see that tax and regulatory costs are consistently at the top, followed by fuel and energy costs, which have been gaining ground, as well as insurance costs and wage costs. What's more, these costs are basically going up and up and up, and it's making it very, very difficult for small businesses to continue competing and to survive.

On the next slide, you'll see that we also ask small business owners about their employment expectations. In the last barometer, for example, 74% expected to keep employment levels at the same level. You'll see that 15% indicated that they anticipate adding more jobs, and 12% indicated that they would be forced to reduce their staff.

So, in order to encourage job creation and further economic growth, we basically need policies in place that can help the province's small businesses thrive.

**Mr. Plamen Petkov:** As Nicole mentioned, CFIB's legislative priorities are determined entirely by our members through their direct feedback. On slide 7, you will find the results of a survey that we completed with our membership in Ontario throughout 2013. This was done face to face with business owners. We were able to generate almost 15,000 responses.

I would like to point to your attention the top four areas of priority that our members have identified. Those are total tax burden, government regulation and paper burden, government finances, and workers' compensation. Our budget recommendations in our presentation today will focus on these four areas. In the coming weeks, we will be following up with a complete pre-budget submission, as we do every year, and that submission will include recommendations in other priority areas as well.

When we talk about the total tax burden, payroll taxes play a huge impact on small business budgets. Retire-

ment savings, especially pension premiums and deductions, are a big part of the payroll of a small business.

Recently, we surveyed Canadians across the country to find out what they think about their retirement savings and their retirement savings plans. We found out that 65% of Canadians said that they cannot afford to save more for retirement, and if they are forced to save more for retirement through mandatory plans such as CPP or, potentially, the proposed Ontario pension plan here in the province, they will have to cut spending in other essential areas, such as food, rent and mortgage payments.

On slide 9, we asked our members specifically about their opinion of an Ontario pension plan. As you can see, almost 80% of small businesses in Ontario would oppose a mandatory Ontario pension plan. If the plan is voluntary, about 50% would support it.

There will be, obviously, some very significant consequences if the proposed Ontario pension plan is mandatory for employers. Some 65% of small businesses would have to cut and/or freeze salaries; almost half of them would reduce investments in their business; and over 40% would decrease the number of jobs that they currently have at their business.

That's why we believe that there are better ways for government to help people save for retirement, and that is through controlling government spending better, and reducing taxes to allow people to save more for their retirement. We are also very supportive of voluntary retirement savings options, such as pooled registered pension plans. We know that the province is currently consulting on this. By the end of this week, CFIB will be submitting a formal brief on pooled registered pension plans, in support of a voluntary, low-cost and easy-to-administer PRPP, very much in line with the framework provided by the federal government.

The next slide: When we talk about payroll taxes, obviously, increases in minimum wage also tend to put additional payroll cost pressures on small businesses. I have to point out that most of our members—most small businesses in the province—actually pay above minimum wage already to stay competitive in the market. Also, our members support the province's objective to reduce poverty and to help low-income earners.

However, they don't believe that increases in minimum wage are the best option to achieve those objectives. That's why we have put forward two recommendations, two alternatives, to minimum wage increases, and those are an increase in the personal income tax exemption and investing in skills training. If those two options are implemented, that would have a direct impact on increasing the disposable income of low-income earners and also help people to develop new or additional skills, to make sure that they have more opportunities and are able to get jobs that pay above the minimum wage.

With that, I'll turn it over to Nicole to touch on another important budget area, and that is infrastructure funding.

**Ms. Nicole Troster:** The government has made it a priority to expand infrastructure, and has asked both

Metrolinx and the transit panel to recommend new taxes to fund such projects. While our members understand the importance of further development, they are concerned by calls for more taxes.

As you can see, 84% of small businesses believe that the government should be funding infrastructure projects through existing revenue. For example, if you take the Big Move, it's basically the equivalent of \$1.60 in efficiencies for every \$100 of the budget. Ask any business owner to find this kind of savings in their business and they will. They rightly expect the government to do the same.

#### 0910

On slide 14, you'll see that this sentiment is underlined in a bigger way through the lack of trust in government bodies to use additional taxes to fund infrastructure projects for the purposes that they were intended. This is actually something that the transit panel identified as an issue. Ultimately, the only alternative that has been put forward is to fund infrastructure projects through additional taxes. There are other alternatives out there that need to be considered so that we don't bring the economy to a complete halt.

On slide 15, you'll see that red tape costs the Ontario economy \$11 billion per year, and it costs the smallest of firms close to \$6,000 per employee per year to comply with government regulations at all levels. While Ontario has made some significant progress on red tape in the last few years, much still needs to be done, especially since it's the second most important issue for small businesses.

**Mr. Plamen Petkov:** And finally, we would like to bring to your attention a recent survey that we completed with our members in the construction sector. Those are business owners, directors, officers and independent operators who, as of January of last year, were hit with massive mandatory WSIB premium increases to comply with Bill 119. What we found in the recent survey is that compliance with Bill 119 for officers, directors, business owners and operators costs about \$6,000 per firm per year. That is a very significant financial impact, and it's very difficult for a small company or an independent operator to absorb.

On slide 17, you will see the measures that business owners and operators will be forced to make to comply with Bill 119. About half of them say that they have to raise their prices; a third of them would cut their own compensation; 20% will downsize their business; and at the very bottom, unfortunately, 8% have indicated that they'll be forced to shut down their business.

CFIB has been opposed to Bill 119 since that legislation was introduced and passed back in 2008. That is our standing recommendation, that Bill 119 should be repealed. From our perspective, it is not meeting the objectives that it was set out to meet in terms of fighting the underground economy and improving safety at workplaces. As a matter of fact, what we are seeing right now is that more businesses will probably be driven underground to avoid paying additional premiums under Bill 119.

Finally, on slide 18, you will find the complete list of recommendations that we touched on during our presen-

tation. Also, in your materials, on the left-hand side, you will find a summary of all these recommendations with some additional background for each of them.

With that, I will turn it back to you, Mr. Chair, for any questions.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much, Plamen, and thank you, Nicole. You've left just over three minutes for questions. Vic or Doug?

**Mr. Victor Fedeli:** Thank you very much, Chair, and welcome to both of you. In our three minutes, I want to talk quickly about slides 4 and 6, your Business Barometer. The thing I like about the CFIB is you tell it like it is. These are the words that come from your some 40,000 Ontario members. How would you categorize the state of the economy in Ontario today?

**Mr. Plamen Petkov:** When we look at our Business Barometer—and again, this is something that we do monthly—we're certainly seeing a decrease in confidence. Ontario is lagging behind other provinces. It is also lagging behind the national index when it comes to expectations for future performance. Again, this is something that our members are telling us directly. When we talk about proposals that are on the table right now in terms of new transit taxes, new pension premiums, higher hydro rates, none of these proposals are actually instilling any higher confidence in small business owners. There are direct reasons for seeing that downturn in their expectations in our Business Barometer every month.

**Mr. Victor Fedeli:** It leads me to my next question about slide 5, the Business Barometer of costs—tax and regulatory costs and fuel and energy costs being the top two. The government planned the proposed tax hike of 10 cents a litre on gas and the proposed corporate tax hike of 0.5%, which will bring us to one of the highest in Canada, 12%. How would you categorize those in terms of the response from your membership specifically?

**Mr. Plamen Petkov:** My anticipation would be that if those proposals are implemented, we would see an immediate spike in concern on those two areas. When we surveyed our members specifically on the infrastructure funding, as Nicole presented—you'll find that information in your kits as well—overwhelmingly, 84% of our members said that the government should be able to find that funding within existing revenue. As business owners are able to do that within their own budgets, they expect that government should be able to do that in the provincial budget as well.

If this is a top priority—again, our members don't disagree with the infrastructure and transit expansion. They actually support that. What we believe the province should be talking about is additional alternatives to funding, not just talking about new or higher taxes.

**Mr. Douglas C. Holyday:** Just one quick question: If there was one thing the government could do for small business to enhance their viability, what would it be?

**Mr. Plamen Petkov:** At this stage, I would simply say, do not raise taxes and do not implement new taxes.

**Mr. Douglas C. Holyday:** Thank you very much.

**Mr. Victor Fedeli:** In the remaining seconds, then, the WSIB—we heard yesterday about firms going

underground. Can you explain if that's anecdotal or if that's actually happening because of the WSIB tax?

**The Chair (Mr. Kevin Daniel Flynn):** It will have to be a very short answer.

**Mr. Plamen Petkov:** We are hearing very similar concerns. That's exactly what we're hearing from some of our members. This is real. Bill 119 is now in effect, and there are businesses out there that are shifting operations to residential work only so that they're not covered under Bill 119 or, as 8% of business owners in our survey indicated, they will be forced to shut down their business.

**Mr. Victor Fedeli:** Thank you, Chair.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Plamen and Nicole.

**Mr. Plamen Petkov:** Thank you very much.

#### CENTRAL 1 CREDIT UNION

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation of the morning is Central 1 Credit Union. Kelly, Kelly and Sheryl, if you'd like to—it sounds like a folk band from the 1960s. Same as everybody else: You have 15 minutes. You use that any way you see fit. The questioning this time will come from the NDP. If you would introduce yourselves, if you're all going to speak, so that Hansard knows which one of you is speaking.

**Mr. Kelly Harris:** No problem. Thank you, Mr. Chair. I'd like to start by thanking you and the members of the committee for inviting Central 1 Credit Union to make a presentation here today. My name is Kelly Harris. I'm the regional government relations director with Central 1 Credit Union. Kelly McGiffin, president and CEO of FirstOntario Credit Union, and Sheryl Wherry, vice-president of corporate governance and corporate secretary of Meridian Credit Union, join me here today.

I've provided the committee members with a letter outlining the Ontario credit union position, and I have brief remarks. Then, Sheryl and Kelly will be able to take your questions.

Central 1 Credit Union is the central credit union facility trade services provider, central liquidity treasurer and clearing facility for 95 Ontario-based credit unions and all of the credit unions in British Columbia. Central 1 is a rated financial institution regulated through the Office of the Superintendent of Financial Institutions federally and through the Financial Institutions Commission in British Columbia, and operates through a memorandum of understanding with the Deposit Insurance Corp. of Ontario.

Ontario is Canada's financial services sector hub. Finance to our province is what oil is to Alberta or hydroelectric is to Quebec. In short, the financial services sector powers Ontario's economy. It is that economy and, more importantly, jobs that will frame my remarks today.

According to Industry Canada, 77.7% of private sector jobs created from 2002 to 2012 were created by small and medium-sized business. Credit unions ask the committee to consider three ways to help Ontario credit

unions to grow and, in turn, support job-creating small businesses.

In May, a paper comparing credit unions, banks and other lenders, commissioned by the Canadian Federation of Independent Business, whom you heard from just before us, ranked credit unions as the preferred lender to small and medium-sized business in Canada. One of the reasons credit unions are so good with small business is that credit unions are the small businesses of the financial services sector. As such, we applaud the Ontario government for continuing Ontario's small business tax exemption for credit unions, recognizing that credit unions invest only in Ontario, in the cities and towns that we work and live in.

We also ask that the Ontario government reinstate deposit insurance limits for credit unions on non-registered deposits that are higher than the chartered banks. For years, Ontario's credit union deposit insurance limit through DICO was higher than that of the federal chartered banks. That changed when the Canadian Deposit Insurance Corp. raised the bank rate to be on par with credit unions at \$100,000.

We understand that the government had reservations on the increase during the worldwide financial crisis of the past decade, but you should know that while financial institutions the world over were collapsing, Ontario credit unions' members deposits were fully secure. Incidentally, \$100,000 is the lowest credit union deposit level in all of North America. This sends a poor signal when deposit insurance limits on credit unions in Ontario, Canada's financial services hub, are lower than those in places like Prince Edward Island. We ask the government to express confidence in Ontario's credit unions by reinstating increased deposit insurance limits.

0920

Third, credit unions in Ontario can only own 30% of subsidiaries. In many other provinces, credit unions and financial institutions regulated under the federal Bank Act can hold 100%. In a time of historically low interest rates, this prohibition makes it harder and harder for credit unions to diversify and find new revenue streams, making it harder to access capital that we use to grant loans to members. Raising the bar from 30% to 100% ownership of subsidiaries would allow for credit unions to expand their businesses and create new opportunities and open up greater access to capital for investments, including small business loans.

Our position is simple: Maintain our tax rate, show confidence in the credit union system by reinstating increased deposit insurance rates and open up credit unions to expanding their businesses. These steps will allow credit unions to grow, invest more in Ontario communities and businesses and help to boost the economy and create jobs.

None of these proposals will cost the government a single dollar. We are not asking for your money; we are asking for you to put the right conditions in place so that credit unions continue to grow and, in turn, help Ontario's economy to grow.

Thank you. We'll take your questions now.

**The Chair (Mr. Kevin Daniel Flynn):** Very good. Thank you, Kelly, for being brief. You've left almost 10 minutes for questions. Michael?

**Mr. Michael Prue:** Wow, I've got 10 minutes for questions.

**Mr. Kelly Harris:** I sped through it.

**Mr. Michael Prue:** Yes, all right. First of all, I commend you for the presentation and also for the fact that you're not seeking any money.

Credit unions have been spectacularly successful in most provinces in Canada—less so in Ontario. Is part of the reason the lack of government support in the past? Why is it that you go to Quebec and see the caisse populaire, which I think more people bank in than the banks? And Prince Edward Island: When I go down there, I see the credit unions all over the place.

**Mr. Kelly Harris:** I'll refer that to Kelly McGiffin. I'd just like to say for context that Kelly is not only the president and CEO of FirstOntario, which is one of the largest credit unions in Ontario, but he also comes from the BC credit unions system—BC is almost 40% of the market for financial services in credit unions, so he has a very good place to talk about that from.

**Mr. Kelly McGiffin:** Yes, I think without a doubt the main reason that credit unions have not been successful in Ontario is lack of credibility in the public mind. Frankly, they're just not seen as an alternative, or they're unknown or are not viewed as a viable alternative. The credit union has some responsibility in that, and we've undertaken recently a province-wide advertising campaign that will actually be launched next week.

However, when you're in the home of the banks, in Ontario, they own 96% of the deposits here in Ontario—96%. We have about an 8% market when you talk about the number of members we have compared to the population. Other provinces are in the 30% and 40% range. There is a need for, we believe, a statement from the government, by increasing our deposit insurance, to say, "These people offer an alternative to consumers." We're not asking you to point people to credit unions. We're simply saying if the government can give us the credibility by saying, "Deposit insurance: These people are trustworthy," then we can leverage that to make credit unions that viable alternative to consumers in Ontario, and I think that will make a huge difference for us.

In British Columbia, not only have they gotten about 40% of the penetration of the marketplace, but they moved to unlimited deposit insurance. We're not looking for unlimited—we understand the constraints of unlimited—but we are looking for increases. And that public statement, I think, by the government would give us the credibility we need to leverage opportunities for consumers to make real, legitimate choices.

Right now, the big five banks, as I said, own 96% of the deposits. You can't phrase that any other way than an oligopoly.

**Mr. Michael Prue:** You've only asked for three very small asks. I don't think they're large. What would each one of them, in turn, provide to you that you don't have

now? You've talked about the deposit insurance being raised. You've talked about credibility. What would each one of them do to increase your market share?

**Mr. Kelly Harris:** I'll talk to the tax issue, and I'll ask Kelly and Sheryl to talk to the subsidiary issue.

Credit unions don't have the ability to go on to the capital markets to raise funds. We don't invest outside of our province, so it makes sense that we wouldn't go on to capital markets to raise funds.

If the provincial small business tax exemption was ever removed from credit unions, it would be equivalent to close to a 250% tax increase on credit unions in the province. That is going to mean that we no longer have as much access to money to lend to our members, of course. More importantly, the first role of a credit union is to protect the investments of their members, so we have to make sure that that money stays in our regulatory capital. When that happens, it changes the risk rating that we give when we're lending out money.

Then you get into very much a similar situation as the banks, where the banks don't want to create as much risk, so they cut off lending. I don't care what your jobs plan is; if there's no money being lent out there from financial institutions, it doesn't matter what you do on the other side, as a government. You need to make sure that the money is flowing from the financial institutions.

The one group of financial institutions that you have power over—because you have no power over the banks, in this room. You have total control over the credit unions because you run our legislation.

I would ask Kelly to talk about the subsidiary side of things.

**Mr. Kelly McGiffin:** Again, I think the banks don't operate solely on a margin model these days. Without supplementary income—non-financial income—it is not a viable model for credit unions either.

Historically, for years, margin was a very viable model when interest rates were significantly higher and there was a big gap and consumers weren't as intelligent or interested in their money as they are today. Today's market is much different. You're giving out mortgages at 3% or 3.5%. You're giving term deposits out at 2%. There's not a lot of margin in the business. The banks would not be in business if they had to survive solely on margin, so they make non-financial income through other sources of income.

That's all we're asking: to even the playing field by allowing us to get into complementary services, such as insurance and wealth management, on a larger scale. Other provinces have recognized that that important financial model needs to change in order for credit unions to be sustainable, and we believe that opening up that door allows us to improve our financial model and ensure our sustainability and therefore our offerings to consumers in Ontario.

**Mr. Kelly Harris:** Sheryl would like to add to that, as well.

**Ms. Sheryl Wherry:** When we talk about the 96% of Ontarians who deal with the charter banks, we will never

be able to be on that par in terms of the penetration. But we do need to be competitive. In order to be competitive to attract Ontarians to deal with the credit union system, we have to offer a competitive set of products.

Speaking for our own credit union, we've seen a shrinkage in our margin of 33% over the last number of years. Other sources of being able to raise capital is critical for us to continue to be able to expand on the service offering that we think is critical for Ontarians to have.

**Mr. Michael Prue:** I do have an account at Meridian, by the way. That should be on the record. One of the reasons I have the account there is because I find the service to be exemplary. The lineups are small. The tellers who deal with me are actually kind. Is this something that is not known? When I talk to people in there, the reason that other customers go there is because the service is immediate.

**Mr. Kelly Harris:** That's also the reason, I believe, that small businesses in this country say that credit unions are the preferred lenders: because they actually feel like they're dealing with someone who knows their business, not just somebody who's looking at a statement and saying, "This is how much you can have this year. This is how much you can have next year." It's somebody who actually understands and sits down with the small businesses, works with the small businesses, understands their game plan, understands how they plan to grow, understands how they want to add people and add jobs to the community, and understands that when you give to a small business, you're investing in the city/town/county that you live in, and that money stays in Ontario and those jobs stay in Ontario. I do understand what you're saying, and part of it is what Kelly said.

0930

I worked for the BC government when we made the statement about the strength of credit unions in BC, and they took off. They are the financial services provider of the province of BC. In many places in that province, the banks have pulled out, and they're not even lending to small business anymore. The credit unions are there, continuing to lend to those businesses, helping them to survive.

A statement by the government of Ontario—we've all heard Mr. Flaherty, federally, talk about the strength of Canadian banks. We're your financial services system. It would be wonderful if we could hear somebody from the government talk about the strength of Ontario credit unions.

**Mr. Kelly McGiffin:** If I can just add to that, we are coming from a position of strength as well. I mean, the new Basel expectations for capital for the banks are at 3% leverage, and 7% on a risk-weighted basis. Credit unions in Ontario already sit at about 7% on a leverage basis and over 13% on a risk-weighted area. We are a very safe, secure set of institutions. The confirmation by the government is not a hollow one.

**The Chair (Mr. Kevin Daniel Flynn):** You're pretty well done, Jonah and Michael?

**Mr. Michael Prue:** Well, I was going to say I think we're done as well. But thank you very much—an excellent presentation.

**Mr. Kelly Harris:** Thank you, Mr. Chair. Thank you, committee members.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much for coming today. We appreciate it.

### MUSIC CANADA

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation this morning is from Music Canada: Graham Henderson and Amy Terrill—or Graham by himself.

**Mr. Graham Henderson:** By myself.

**The Chair (Mr. Kevin Daniel Flynn):** It's the same as everybody else, Graham: 15 minutes. Use that any way you see fit. If there's any time left over at the end, questions will come from the government this time. With that, the floor is yours.

**Mr. Graham Henderson:** Okay, thank you very much. Good morning, members of the committee, and thanks for the opportunity to speak today.

I would like to focus my remarks on something that was in last year's budget, in order to ensure that you're well aware of the positive nature of the policy and its impact on our sector. I'm talking about the Ontario Music Fund, which is a \$45-million grant program spaced over three years.

As many of you know, Music Canada has actually been at the forefront of advocating for not only this initiative but also the Ontario music community in general. I'm confident in saying that the fund was designed to respond to market challenges that we brought forward to the government, and also the opportunities for growth and investment.

Allow me to explain. Music is now widely considered to be a key competitive advantage for Ontario. In a groundbreaking study that we commissioned a couple of years ago, PricewaterhouseCoopers determined that the major and independent recording companies alone generate about \$400 million in spending and contribute \$240 million to the national GDP. Over 80% of that activity takes place in Ontario.

Our sector employs thousands of young people in a cutting-edge digital environment, and then there is the live sector. The live sector in Ontario accounts for over half of the activity in Canada. Toronto is a "must" stop on every global tour and a home to thousands of homegrown artists. It is a key economic sector. It's one of the top three markets for live music in North America.

The cities of Toronto, Hamilton, Kitchener, London, Guelph, Peterborough, Windsor, Kingston and Ottawa have all identified the potential of music in their communities. Each of these communities sees it as an important part of the community and a catalyst for benefits ranging from music tourism to investment and talent attraction and to community building. These same benefits were highlighted in a recent white paper released by the

provincial Conservative Party. I commend them for having drawn some attention to this.

Similarly, the Ontario Chamber of Commerce has ranked music along with traditional powerhouses like mining and manufacturing as three of Ontario's key economic sectors.

So why, might you ask, was there a need for government intervention in the form of the fund? The answer to that is germane to the issues that you deal with on a regular basis: financial liability, market imperative, investment climate, retention and attraction of jobs.

Perhaps no sector has experienced the consequences of the digital revolution more directly than the music community. Our entire ecosystem has been disrupted. Our community has embraced this challenge, and adaptation was necessary, but it certainly wasn't easy. The process of transformation is far from over. A \$38-billion business worldwide has become a \$16-billion business. Revenues in Canada in the recorded music sector are less than half what they were in 1999.

While digital sales have grown significantly, they are not enough to make up for lost physical sales. Revenues from the digital market are on a completely different scale from those derived from CDs. We do not sell albums; we sell singles. Streaming music, which is becoming increasingly popular, generates a fraction of a penny per stream.

While there are more and more digital services, they are not all created equal. The landscape is littered with illegal services that do not pay artists or copyright owners. Many of them appear to be legitimate to the consumer, and they're aided by Google. Google search results obscure the simple existence of legal sources of music.

Robert Levine, who is the former editor of Billboard and author of a book called Free Ride, wrote, "It has never been easier to distribute a creative work. At the same time, it's never been harder to get paid for it."

The Canadian Independent Music Association released a report recently, Sound Analysis, that concluded that 60% of the independent music companies in Canada—and these are basically small businesses—generate less than \$50,000, and only the top 10% earn more than \$500,000 a year. Artists, whom you should all consider entrepreneurs, earn an average of about \$10,000 per year from music-related activities, and they spend about 29 hours a week pursuing music, because they must generate income elsewhere to put food on the table. This is radically different from just 10 or 15 years ago. Music is becoming a hobby, not a career.

People are also discovering music in different ways. Discovery is moving online—has moved online—yet for decades we have relied on a strategy to expose Canadians to new music using radio.

Almost all of our digital retailers are foreign-owned, posing the question, how do we guarantee shelf space?

All of this is unprecedented. Yet despite the gloom, we have learned from our research that there are

unparalleled opportunities to leverage music in order to generate jobs and investment.

Austin, Texas—and we've spent a lot of time there—provides an example of a community that has figured out how to harness the power of music to create one of the most resilient economies in the United States while also supporting the small businesses and artist entrepreneurs who make up the sector. As the 11th-largest city in the United States, they were the last into the recession and the first out, and they credit their music community for that benefit. It's on the top-10 list of every measurement: attracting young people, population growth, rate of venture capital investment, number of start-ups, number of jobs created. In Austin, music generates \$1.6 billion.

By comparison, Toronto, which is three times as large, generates only one third of that activity. In Ontario, and we know this from the Ontario Arts Council, arts and culture tourists stay longer and spend more, and almost half of them list music as the key motivator for their trip.

In Austin, music is part of every pitch that the chamber of commerce or its mayor makes when they act as the business investment arm for the city. The government credits music for getting them the Formula 1, something that they were very, very anxious to get.

Music and tech are inextricably linked. We have seen this in Austin, but it has also been backed up by a study released by the Information and Communications Technology Council which points to a strong correlation between vibrant music scenes and technology clusters.

So it is in this challenging market environment where opportunity lies that the Ontario Music Fund appeared, to build on the competitive advantage that the music community has organically created and to turn the province into a live music and recording capital of the world. For the first time—the first time—Ontario is directly leveraging its live music prowess to generate increased tourism activity, which is a great source of jobs, if not the number one source of jobs, for young people. For the first time, Ontario is using the successful film and television model and applying it to music in order to attract and repatriate recording projects to our world-class music studios which, until now, have been suffering.

**0940**

You might ask, "Why not just lower corporate taxes for companies and the artist-entrepreneurs?" Well, we believe that the stark numbers that I shared with you earlier demonstrate that the majority of our community needs access to capital and not lower taxes.

At Music Canada, we've identified seven key areas of growth for the music community in Canada at large and Ontario as well. They are: music education, digital innovation, music tourism, export development, tax credits or grant programs, music celebrations and community building.

With a bit of help from the government, the private sector is ready to create new wealth and jobs in this province. I'm confident that you'll see that the Ontario Music Fund is money well spent.

Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Very good. Thank you, Graham. You've left about five minutes.

Who would like to go first? Steven?

**Mr. Steven Del Duca:** I'll go first. Thanks very much, Mr. Chair.

It's great to see you, Graham. Thank you for being here and for delivering those remarks that I think underscore the importance of the decision that our government made last year with budget 2013, around the music fund itself.

The question I have is that in terms of going forward, you talked a great deal about how important it was for us to come to the table with that \$45 million, I believe, over three years. I'm wondering, as we go forward, what other steps the government can take to support the industry—perhaps not by way of more funding, because \$45 million over three years is considerable, but other measures the government can consider taking to support such an important economic driver, that sometimes is counter-intuitive. People might not think it provides the economic activity that it actually does.

**Mr. Graham Henderson:** It's correct. It's a fulcrum that you can use to achieve immense leverage that is totally disproportionate to the size of our own economic footprint. Music tourism is a perfect example of that.

Minister Chan has announced the Live Music Strategy. The objective is to create in Ontario a global destination. We've never drawn attention to the fact that we have one of the most vibrant music scenes in the world. We've never spent any money on it. The government could simply support Minister Chan, as could the other parties, as he focuses and concentrates resources, that exist today in the ministry, on music. That would be one key area.

Once you build a music scene, you can also use it to leverage the attraction of businesses, the retention of businesses, young people and even immigrants. So as the province of Ontario looks at how it is going to attract the right immigrants to the marketplace, simply think about the advantage that our existing scene can offer you. It's a big advantage.

Finally, I would suggest that music education is something that has been allowed to languish across the country. Just as you've announced an initiative to support mathematical education, you should be thinking about what you can do for music, because it is dying in our schools.

**Mr. Steven Del Duca:** Interesting. Thank you.

**Mrs. Donna H. Cansfield:** Thank you very much and thank you for your presentation. I so wholeheartedly concur with you. Anyone who doesn't have a teenager or who wasn't a teenager doesn't understand the value of music. We still have our Beatles albums. It's just part of who you are and your heritage.

I want to ask two questions. First of all, about the education—and I concur wholeheartedly—interestingly enough, one of the countries in the world with one of the most vibrant music programs is Finland. That's because in Finland every child takes music and every child gets an instrument.

**Mr. Graham Henderson:** Yes.

**Mrs. Donna H. Cansfield:** They have one of the best music programs in the world because they have nurtured that. I think that's something we could work on.

The other part of it is the illegal market. I think there are things that we can also do, working with the federal government, and I was surprised you didn't mention more of that, because that pirating of music is a significant drain on the economy.

**Mr. Graham Henderson:** You can help us simply by vocally demonstrating leadership, by speaking out on issues like music education. We do not have Premiers or Prime Ministers like Bill Clinton and others, who vocally stood up for the importance of music education. If you can start to do that, it helps us.

We have an initiative that raises money called MusiCounts to put instruments into the hands of young musicians. Similarly, the federal government has done a lot to help us in our battle against illegal sources, but they could certainly do more. One of the biggest problems we have is that consumers cannot find legal services on Google. Type in: "Carly Rae Jepsen"; pick your song; press "search." You would have to look to page 7 of the results to find iTunes. Before you get there, you have six and a half pages littered with illegal sites which are constantly being taken down and constantly being put back. With government support, maybe we can urge intermediaries to actually do something to help consumers find legitimate sources, because I think they'd like to.

**Mrs. Donna H. Cansfield:** I concur with you, and I think it's an education. I'm going to suggest that most young people who download music don't realize how illegal it is. So there's a whole education component—

**Mr. Graham Henderson:** Right—or the harm.

**Mrs. Donna H. Cansfield:** —or the harm that it's doing to the economy.

**Mr. Graham Henderson:** The difference between an artist's career today and 15 years ago is stark.

**Mrs. Donna H. Cansfield:** You're right. Thank you very much for your presentation.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you for coming.

#### ONTARIO PHARMACISTS ASSOCIATION

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation this morning is the Ontario Pharmacists Association: Dennis and Carlo. Please come forward. It's good to see you again. Make yourselves at home. You have 15 minutes, like everybody else. Use that any way you see fit. If there's any time left over for questions, it will come from the Conservative Party. The floor is all yours.

**Mr. Carlo Berardi:** Good morning, Mr. Chair and members of the committee. My name is Carlo Berardi. I am from Sudbury, and I'm the volunteer board chair of the Ontario Pharmacists Association. Joining me today is Dennis Darby, the CEO of our association. We appreciate this opportunity to speak to you today.

The OPA represents the views and interests of more than 14,500 pharmacists, pharmacists-in-training and pharmacy technicians right across this great province. Included in our membership are staff pharmacists who work in large and small retail pharmacies; pharmacists who are independent owners of their own stores, like me; hospital pharmacists; and pharmacists who work in non-clinical settings such as government.

We are here today to encourage you, as you deliberate the next provincial budget and your recommendations to the Minister of Finance for what should be in that budget, to include modest funding allocations that will enable pharmacists to offer more services to Ontario patients by way of enhanced scope of practice. The legislation that allows for this received royal assent in December 2009. Our regulatory college, the Ontario College of Pharmacists, has developed the necessary regulatory framework to regulate a broader practice of pharmacy. We believe the time has come for the government to take the next logical step, which is to provide modest compensation to pharmacists and pharmacies to be able to provide high-quality, low-cost, convenient health care to the people of Ontario.

The OPA recognizes that in these challenging economic times, policy-makers may not be able to go forward with everything all at once. In that spirit, we want to focus our discussion on three areas that we believe can go forward right away, will have minimal fiscal impact, will produce immediate savings elsewhere in the system and lead to a better quality of life for people.

First, we want to talk about vaccines and immunizations. As members know, pharmacists were empowered to administer the flu shot in October 2012. That first season, which was last year, we had little time to prepare, and the public did not have much awareness of the new program. Despite that, pharmacists gave 250,000 flu shots. This year, our second season, so far we have delivered some 700,000 and may reach one million before the season is over. Clearly, the public has embraced and accepted this type of care from pharmacists, especially as it is government-approved and funded.

Only pharmacists with the proper training can provide vaccines and immunizations. What you may not know is that once a pharmacist is trained to do so, he or she is trained to administer other vaccines and immunizations, as well. The training is the same. So the local pharmacist who gave a senior the flu shot can also administer travel vaccines. Our members can help to vaccinate the public against pertussis, HPV and a number of other threats to public health. All we are lacking is the authority and the funding to do so. For your information, pharmacies receive \$7.50 per flu shot from the Ontario government.

0950

Secondly, we want to talk to you about smoking cessation. Today, the Ontario public drug plan funds smoking cessation programs to OPDP recipients; that is, for seniors, the disabled and recipients of social assistance. There is no such program for people who are not Ontario Public Drug Programs recipients. Unfortunately, while

smoking rates have come down, about 18% of adults in Ontario still smoke. We propose extending the smoking cessation program to adults who are not on the public drug plan. The program, which includes drugs and counselling, takes place over a number of weeks. The OPDP funds this at a rate of \$150 per patient.

Extended to the broader population, we anticipate the uptake would be approximately 10,000 people per year, for a cost of \$1.5 million. According to Ontario Public Drug Programs data, 28% of people who take the program quit for good. If we extrapolate that quit rate, there would be 2,800 people per year who would kick the habit. When we consider the costs associated with treating smoking-related disease, including hospitals, physicians, surgeries, chemotherapy, radiation, medication etc., I think you will agree that this is a good investment.

Finally, we want to talk to you about initiating a common-ailments program in Ontario. Also referred to as minor ailments by some, there are a number of self-limiting conditions, such as athlete's foot, poison ivy, pink eye and others, that pharmacists have the expertise, but not the regulatory authority or funding, to diagnose and prescribe the proper treatment.

Many patients recognize these conditions for what they are, and seek help from their pharmacist first, only to be told they must visit a doctor and seek out a prescription first, and come back several hours later. If this interaction takes place during an evening or weekend, patients must look for a walk-in clinic or, even worse, attend the emergency room of a hospital just to receive the necessary prescription.

All of this could be avoided if our members were allowed to provide a common-ailments program. Using the same algorithms that physicians use, pharmacists can quickly make the right diagnosis and dispense the proper treatment. Again, we are proposing this program for self-limiting conditions; these are low-risk conditions that present minimal threat to a patient's well-being, but must be dealt with nonetheless. I would encourage you to consider not only the financial savings involved here, but also the time and convenience for patients and the additional capacity that would be created in doctors' offices, emergency rooms and other primary care providers.

Pharmacists are highly trained, highly skilled health professionals who can, and want, to do so much more for the people of the province. At a time of scarce resources, it makes sense for the government to leverage as much as it can from all providers. Pharmacists stand ready; all we need is the authority and the funding to begin.

I will now turn the microphone over to Dennis, who will conclude our presentation.

**Mr. Dennis Darby:** Thank you, Carlo. Members of the committee, the OPA retained Accenture management consultants to advise us on the costs of what we're proposing, as well as the offsets and savings elsewhere in the system. We have included copies of this information in your materials. We have also included consumer data from Ipsos Reid, which will shed some light for you on

the degree of public support that these proposals enjoy, and you'll see that they're quite significant. The public is ready, willing and able to use pharmacists to get more health care.

We want to conclude by telling you that, although what we're proposing would be new to Ontario, pharmacists are already doing this work that we've been talking about in other Canadian provinces, in the United States and in the UK, among others. These programs have been proven to be safe and effective elsewhere; in essence, approval here would allow Ontario to catch up to many other jurisdictions.

The public accepts more health care from pharmacists, the legislation is in place and our members are ready, willing and able. What we need is the regulatory approval and modest funding from Queen's Park to start providing more, better and affordable health care for Ontarians.

We would be pleased to answer any questions that you may have. Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Very good. Vic or Doug, you've got about six minutes.

**Mr. Victor Fedeli:** Thank you very much. Welcome, Carlo. Nice to see you today. Dennis, welcome to Queen's Park as well.

The vaccinations and immunizations—I understand that you provided about a million flu shots this past season, almost a million in Ontario?

**Mr. Dennis Darby:** We should hit that number by the end of the flu season.

**Mr. Victor Fedeli:** By the end of the flu season.

**Mr. Carlo Berardi:** That's our potential target, and we're pretty enthusiastic and excited. We're going to get close to it, if not beat it.

**Mr. Victor Fedeli:** So, these pharmacists, you said, have gone through that extra training. I know that, when I went last year to get mine, I was the first one that our pharmacist had injected in 19 years. He told me he practised on an orange for quite a few weeks before. I'm sure his training was a little more extensive than practising on an orange, but it was painless, and this year, as well, was equally painless.

So you're suggesting that the fact that this training has been done and they're ready to go—you will have implemented almost a million flu shots, and you're ready to do vaccines and immunizations. What number would you hope to achieve of vaccines? Are these the types of things for travel shots, children's shots, those kinds of things? Is this what you're talking about?

**Mr. Carlo Berardi:** Thank you, Vic. Well, if we look at, for example, travel vaccines, hep A and hep B, those are injections that are given over a period of six months, so typically there are three injections: one at time zero, one at one month and the third at six months. As a clinician and practising pharmacist, I can tell you that people are not coming back for the second and the third. They will go get the first injection and then, because it involves making an appointment with your physician at the one-month and six-month interval, people are just not

doing it. You have to have the three injections to be immunogenic. Just with the one, you're not going to have the antibodies developed.

There's a real cost when Canadians travel abroad and come back, and perhaps have contracted hep A and hep B—what's the cost to the system? What we're saying is that there's a real benefit to public health if pharmacists can give—it's convenient. It means that you as a patient, on your way home from work—"Oh yes, I can stop by the pharmacy and I'll get my travel vaccine. I don't need an appointment." It's hard for people who work to have to break out of work and just go get that second and third shot.

**Mr. Victor Fedeli:** So what number are you talking about?

**Mr. Carlo Berardi:** In my pharmacy—it's a community pharmacy in northern Ontario. I have a large-sized business. I'd probably be looking, in my business, at maybe about 80 to 100 people per year. We're not big numbers.

**Mr. Dennis Darby:** So we're talking about tens of thousands, I think. In Alberta, because Alberta has broader authority for pharmacists, in the first year of providing non-flu vaccines, they delivered just over 30,000. We're somewhere over 100,000 to 150,000 in Ontario. In British Columbia, pharmacists give both the pertussis vaccine and the pneumococcal vaccines, and those, again, are in the hundreds of thousands.

I think it's more about the fact that they've had the training and they'll be able to do this on a routine basis rather than having to go back and forth to the physician. As Carlo said, one benefit is adherence, because if there's a series of vaccines and if you have them administered by the pharmacist, there's a higher chance that you'll actually go through with it.

**Mr. Victor Fedeli:** You'd be looking at the same remuneration, the \$7.50? It's an adequate number?

**Mr. Dennis Darby:** Not for the travel vaccines. Travel vaccines are almost always covered by private plans in many cases or are cash. But for things in the public health interest, like pneumococcal or pertussis, most certainly, we think that would be appropriate at the same rate as the flu vaccine.

**Mr. Victor Fedeli:** The common ailments: So the whole purpose of that is to keep people out of the emergency room, which is one of the more expensive costs. Is that the idea, to have them stop in at the pharmacist and talk about something that's a minor ailment?

**Mr. Dennis Darby:** Yes. I think the program that exists in the UK and now exists in Saskatchewan and soon in Quebec and Nova Scotia really defines a series of conditions where pharmacists would be able to do a triage and make a decision. Yes, indeed, that would keep people out of a walk-in centre, keep them out of the emergency room. Of course, if pharmacists see someone come in and they're showing symptoms of something more serious, even today, we'll send them to an emergency room if they need to. But this is really for those things that are kind of self-limiting.

**Mr. Carlo Berardi:** Typically, these things tend to follow seasonal effects. So in the summertime, when I work on a Sunday afternoon, I invariably every weekend get one or two poison ivy cases coming in on a Sunday at three o'clock. It's terribly frustrating to the patient; it's very bothersome to have this. You recognize it and you talk to them; you know where they've been. Typically, what happens, you're limited to prescribing off-the-shelf, very low-potency drugs, which basically will not really be effective as what you could do.

In the wintertime, you get a lot of athlete's foot. You get the worker who comes in at 8 o'clock at night with an athlete's foot problem, and you know why it's caused, because of the boots and the socks. You can diagnose it very quickly. Again, you're limited to what you can recommend.

Invariably, sometimes you have to refer these people. For pink eye, for example, you've got to go to a walk-in clinic. They're frustrated, because they've got to go there and wait for hours—or to a hospital.

#### 1000

If you're that rural pharmacy in cottage country—we've got to make health care accessible in those rural areas too. I mean, why should people have to drive two hours just to take a sock off and say, "It's athlete's foot" or "Check out this oozy rash on my leg"?

**Mr. Victor Fedeli:** Thanks for that thought.

**The Chair (Mr. Kevin Daniel Flynn):** You have a very small amount of time, Doug. You may be able to say thank you.

**Mr. Douglas C. Holyday:** Yes, well, it's just a general question that I have. The government is contemplating changes that might affect you as small business people, and I'm just wondering what you think of those. They want to add revenue tools; they want to increase the cost of gas—

#### Interruption.

**Mr. Douglas C. Holyday:** Apparently we're not getting that one.

**The Chair (Mr. Kevin Daniel Flynn):** It will have to be a very short answer.

**Mr. Dennis Darby:** With respect to changes for small businesses like yourself, are you aware of issues that are affecting your small business?

**Mr. Carlo Berardi:** I can tell you, as a small business owner, it's the best and the worst of times. There's a real opportunity for a small business that is well connected with their community.

I'm just talking as a small business owner. I've never felt that the big chains or the corporate new entrants in Ontario are threatening me. I could thrive against them, simply because as a small business owner, a community person, I can connect with my customer.

It's the worst of times because my costs keep going up, everything from my cost of doing business, applications, forms—it's getting incredibly frustrating, on the back-end side. But as far as the customer side, it's great.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Carlo. Thank you, Dennis. Thank you very much for coming today. It was appreciated.

## ONTARIO HOME BUILDERS' ASSOCIATION

**The Chair (Mr. Kevin Daniel Flynn):** Okay, next we have a familiar face—Joe and Mike, if you'd like to come forward—the Ontario home builders. You know the drill as well as anybody, Joe. You have 15 minutes. Use that any way you see fit. Any time left over will go to the NDP. If you would introduce yourselves for Hansard so they know which person is speaking when. The floor is yours.

**Mr. Joe Vaccaro:** Thank you. Good morning, Chair and members of the committee. My name is Joe Vaccaro, and I serve as the CEO of the Ontario Home Builders' Association. Thank you for the opportunity to provide some comments regarding the upcoming budget. I am joined by Mike Collins-Williams, the director of policy at the OHBA.

We will be submitting a formal written pre-budget submission to all of you and to the Minister of Finance next week.

OHBA is the voice of the new housing, land development and professional renovation industry. Our association includes 4,000 member companies organized in a network of 31 associations across the province. The residential construction industry supports over 322,000 jobs and contributes over \$43 billion to the provincial economy.

An important fact to consider when hearing these numbers is that our industry isn't just based in one or two cities, but we create jobs and build communities from Windsor to Barrie, from Niagara to Thunder Bay, from Ottawa to Toronto. We are the engine that drives Ontario's economy.

Our deputation today is going to focus on our top two budget priorities, which include investment in infrastructure and a permanent home renovation tax credit to combat the underground economy.

The second part of our presentation will address two major public consultations that could find their way into a budget bill this spring. I am, of course, speaking about the land use planning and appeal system as well as the development charges system in Ontario.

Mike?

**Mr. Mike Collins-Williams:** Thanks, Joe. I'll start off with the renovation tax credit.

We believe that a broad-based, consumer-focused tax credit, similar to the now-expired federal government's Home Renovation Tax Credit, is the best method to deal with the problem of the cash economy in the renovation sector. Fundamentally, this is a problem that's best dealt with through a regulatory system that catches these underground operators, alongside a plan to address the consumer demand for cash renovations.

Related to this is the Healthy Homes Renovation Tax Credit, which OHBA strongly supported and which offers a rebate to seniors, to age in place, to make accessibility-related retrofits.

Underground operators don't pay WSIB, they don't pay corporate taxes or personal taxes, and they often

don't even receive building permits. This is a huge problem, and the government is literally losing out on billions in revenues, and consumers are not protected from this. This problem has been compounded in the last year by the mandatory WSIB coverage that's driving even more contractors underground.

We believe that the receipts generated from tax credits provide the Canada Revenue Agency with a wealth of data that could be cross-referenced to those companies with WSIB information and with building permit data for municipalities to catch underground operators.

We strongly encourage the provincial government to provide broad-based incentives for consumers to fight the underground economy.

I'd just like to reiterate that when it comes to home renovations in the underground economy, we're not talking about a few million dollars. This is literally a multi-billion-dollar problem. Those tax dollars could be used to build hospitals or subways, and they're literally disappearing into thin air.

**Mr. Joe Vaccaro:** OHBA responded favourably to last year's budget as it extended the three-year, \$35-billion infrastructure commitment by rolling it over to include another year. We expect that this year's budget will maintain that commitment, and we believe that strategic infrastructure investments help enhance economic prosperity and productivity.

We expressed our disappointment this summer with the Metrolinx investment strategy which, if implemented, would actually make transit-oriented development even more expensive. This approach runs counter to the desired public policy outcome to make new neighbourhoods and new employment centres along transit routes as affordable and attractive as possible. These are the locations where you want to encourage growth and encourage ridership.

OHBA's past president, Leith Moore, was asked by the Premier to sit on the Anne Golden transit panel to take a fresh look at the issue of transit funding. We believe that they landed on a much more equitable formula. The development industry is a key partner and will play a fundamental role in the implementation of the Big Move. Here's how: In 2012, new home buyers and new employers contributed \$1.3 billion in development charges to infrastructure. Going forward, the Golden panel has recommended that the province utilize a land value capture on transit corridors. As an association, we are prepared to work with Metrolinx to make this work. But first, this only works when you put transit lines in the right place, where they will actually attract significant private investment and development. Secondly, it needs to be packaged with pre-zoning to create certainty in investment-ready communities.

The reality is that the private sector will invest in transit, but we will require planning certainty as to the higher transit-supportive densities that we'll need to make transit investment work, which means taking the politics out of planning.

**Mr. Mike Collins-Williams:** Taking the politics out of planning is a perfect segue into the land use planning

and appeals system consultation. Through the recent consultation, we made a number of recommendations to the government that really focused on greater municipal leadership and on getting things right at the beginning of the planning process. If we can improve the planning framework by creating more certainty and transparency at the front end of the planning process, that, in turn, will reduce conflicts and tension at the back end of the process, which we believe will result in far fewer appeals to the OMB and, most importantly, better outcomes.

This means that the province must be much more assertive in enforcing the Planning Act, which requires that municipalities update their official plans every five years and that zoning be updated and brought into conformity with provincial policy within three years of that. We need a system where local planning implementation policies actually reflect provincial policy.

Many municipalities across Ontario have outdated official plans. To be blunt, zoning in many Ontario communities is so archaic that it practically means nothing. Just outside of this building here, most zoning in downtown Toronto may have been harmonized with other amalgamated municipalities, but it hasn't been modernized since the 1970s. In some areas of North York, it's even worse: since the 1950s. This is not just a Toronto issue, as the same outdated zoning issues are found in the downtowns of London, Ottawa and even many intensifying suburban communities.

A significant number of planning conflicts, and ultimately, appeals occur when applications actually conform to provincial policy, but they have to go through a municipal process based on decades-out-of-date planning documents.

With respect to the OMB itself, the board should remain as an essential piece of the broader planning framework in Ontario. Independent academic research has actually found that, in fact, contrary to what's often reported in the media, the OMB most often sides with the professional opinions of municipal planners. We support the principle of a strong OMB to uphold the provincial interest in the planning review process in Ontario. The development industry and, for that matter, any applicant, including non-profit agencies and social housing providers, need an OMB that is independent and impartial. It must be prepared to make decisions based on the provincial policy statement and the merits of the development application itself. We see this role continuing, albeit we believe that there are significant improvements that could be made to the planning process to substantially reduce the number of appeals. And in cases where appeals do occur, we believe that an enhanced role for mediation could result in better outcomes for all the stakeholders involved.

**Mr. Joe Vaccaro:** I'm going to conclude our remarks today by touching on the development charges consultation. Research, whether CMHC's report or research by private firms like the Altus Group or IBI Group, shows escalating municipal charges and government-imposed charges on new neighbours.

## 1010

OHBA took the consultation as an opportunity to engage all 31 local associations. We hosted a number of meetings across the province in Toronto, London, Waterloo, Ottawa, Hamilton and other locations. We heard from our members across the province, and their comments all spoke back to the principle of affordability and fairness, accountability and transparency.

Our first recommendation is to rename the act the "new neighbour tax" to accurately reflect who is actually paying development charges, section 37 fees, voluntary payments, parkland dedication fees. New neighbours, both new homeowners and new employers, are ultimately providing municipalities with billions of dollars of infrastructure funding. The Ontario government calculated that in 2012, \$1.3 billion was provided to municipalities through development charges. Including the other fees, we're looking at well over \$2 billion worth of charges available to municipalities to help finance infrastructure renewal. This is a significant tax revenue.

Overwhelmingly, our members are recommending greater accountability and transparency from municipalities to these new neighbours so that that \$50,000 or \$60,000 or \$70,000 in new neighbour taxes that are included in the price of a new home or new employment centre are reflected in the roads, services, transit and parks that the municipality has committed to provide on time and on schedule to these new neighbours.

We've identified current parkland dedication policies as being completely out of step with modern planning. These policies actually promote urban sprawl. We have situations in Richmond Hill, for example, where developers are currently building low-density townhomes along the corridor where the Yonge subway will be extended because the cost of building higher-density developments on future subway lines due to parkland dedication fees makes it the better option for the marketplace. Something is wrong in our planning system when fiscal policies prevent intensification from occurring in the exact locations where it should be built up.

This consultation was an opportunity to have a fact-based discussion on the impact of development charges, parkland dedication fees, voluntary payments, section 37 on new neighbours. OHBA, through our local associations, has provided recommendations that support the creation of investment-ready communities and the principles of affordability and fairness to new neighbours.

Municipal politicians continue to demand more provincial money for local infrastructure when we are several years into the uploading of social services and after both the federal and provincial governments have dedicated portions of the gas tax to local transportation infrastructure.

In growth municipalities, we continue to hear the demand for new neighbours to provide more tax revenue for infrastructure renewal, while they also continue to celebrate property tax freezes.

What OHBA is advocating for is a system that is crystal clear in what is in versus what is out, and we require greater transparency and accountability from

municipal governments for how they spend the up to \$1.3 billion in annual development charges.

I thank you for your time this morning, and I look forward to your questions on our presentation. Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Joe. Thank you, Mike.

Michael, between two and three minutes.

**Mr. Michael Prue:** Okay, not too much.

I'd like to commend you, first of all, because, on balance, most of what you've said I have no difficulty with. When you start talking about the OMB, I do.

You said that this is such a good institution. Why is it the city of Toronto, the city of Mississauga, the city of Kitchener, the city of London—I'm trying to think of all the others—all have asked to be released from the OMB because they think it is an abhorrent and horrible institution?

**Mr. Joe Vaccaro:** Well, I would start by stating that, in our view, the OMB takes the politics out of planning. What we continue to see is that there is a disconnect between the provincial planning framework—which is demanding that communities evolve; it is demanding intensification; it is demanding that communities plan to accommodate provincially legislated growth forecasts over the next number of years. That's the demand that has now been put on municipalities. The reality is, as people who have served on municipal council and have served in the position of mayor—they understand that it is very difficult for existing residents to welcome change in their community. We respect that, but communities are evolving, and part of that is the push by the provincial government. So what we see is a situation where applications become politicized. Ultimately every application goes through a process, and that process includes abiding by the municipality's complete application process, pre-consultation, public meetings. It's a public process, but ultimately, regardless of the merits of that application, there is a political vote at council to determine whether or not that application will move forward.

What the OMB strives to do, and its critics have also recognized this, is take the politics out of that decision. The question is, is the application consistent with the provincial framework and the requirements? What we've identified is a disconnect here: a lack of updated zoning requirements. It is easy enough to move forward an official plan, but now the next step is to do the appropriate work, which is to update the zoning.

The city of Toronto is a great example. There are pockets in this city that have not been updated for 30, 40 or 50 years. Yet the changes that are happening are happening through applications that are coming in and moving forward because they are consistent with the new planning regime. That's the disconnect we see.

What the OMB strives to do is to take the politics out of that discussion, to look at the merits of the application and move it forward. That's our perspective, and the academic research we've seen in the last little while supports that.

**Mr. Michael Prue:** Okay, but the public perception is diametrically opposed, you have to admit, to what you're saying. I don't know of any communities in this city or in this province that say, "Hooray for the OMB." Do you know of any? If you do, please, tell me one. I mean, everybody is shaking their head. I don't know of a single community that doesn't think they get ripped off every time they have to go to the OMB.

**Mr. Joe Vaccaro:** I would say this to you, then: There are a number of celebrated communities in Toronto that the OMB had a significant hand in moving forward. I look at the Distillery District as an example; we are now celebrating that place as a wonderful place. The reality is the OMB had a major part in moving that forward. There's part of the process, and the OMB does have a hand in some of these celebrated communities across the province.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Joe. Actually, I'm going to have to cut you off there, unfortunately. But I think we knew what you were going to say.

**Mr. Joe Vaccaro:** Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much for coming. Certainly, you can continue that discussion at a later date if you so choose, but your presentation was appreciated.

#### INCOME SECURITY ADVOCACY CENTRE

**The Chair (Mr. Kevin Daniel Flynn):** Our next presenter this morning is from the Income Security Advocacy Centre. Jennefer, are you with us?

**Ms. Jennefer Laidley:** Yes, right here.

**The Chair (Mr. Kevin Daniel Flynn):** Once these gentlemen vacate, if you would make yourself comfortable. Like everybody else, Jennefer, you get 15 minutes. Use that any way you see fit. If you do leave any time at the end for questions, it will come from the government side.

**Ms. Jennefer Laidley:** Sounds good. Thank you very much.

**The Chair (Mr. Kevin Daniel Flynn):** The floor is all yours.

**Ms. Jennefer Laidley:** Thank you. I'm just going to set my stop watch so I can see how I'm doing here.

Good morning, everybody; good to see you all. Thanks for the opportunity to come and speak to the standing committee this morning. I wish I could make my presentation interesting and have displays and maybe an interpretive dance or something because I know that you all have to listen to many, many presentations. I appreciate your attention.

My name is Jennefer Laidley, and I'm with the Income Security Advocacy Centre. ISAC is a specialty legal clinic that's funded by Legal Aid Ontario. We have a province-wide mandate to work to resolve systemic problems in Ontario's current social assistance programs. We've been working on these issues since 2001, and most recently, we've been very involved in the social

assistance review and reform processes and the efforts to reduce poverty in Ontario. We work with legal clinics in communities across Ontario. I know that all of you have at least one legal clinic in your constituency. We also work in coalition with groups like the 25 in 5 Network for Poverty Reduction, Ontario Campaign 2000 and the ODSP Action Coalition.

You'll see from our written submission that we're making eight separate recommendations for budget 2014. That's on the first page there; we've done a little summary. While all of them are important, I want to highlight just a few.

First, I want to express how important it is that positive progress continue to be made on reforming Ontario's social assistance programs. Those reforms require investments, which is why this is a budget issue. This is the first budget of the next five-year Poverty Reduction Strategy, which all parties in the Legislature supported when the Poverty Reduction Act was unanimously passed in 2009. In order for progress to be made on poverty reduction in this next five years, significant investments need to be made now. Investing in positive reforms of Ontario's social assistance programs would constitute the kind of down payment on poverty reduction that would make a real difference to real Ontarians.

Last year's budget introduced several positive but modest reforms to social assistance programs. These are important indicators of movement in the right direction, and while they're not transformative, they are positive. More movement in this direction is required. Since reforming programs for people living on very low incomes poses a significant danger of making their situations worse, reforms clearly need to be made thoughtfully. But they also need to be made with additional investment in the system.

## 1020

Reforms to social assistance can't be based on reallocating funds, benefits from one group to another group, or undertaken with the expectation that we're going to see program savings in the short term.

With that in mind, I'd like to highlight five items in our submission. First, as I know all of you have heard many times before, people on social assistance in Ontario need additional income supports. They need a commitment to adequacy of income, and they need a plan to get them there.

Rates remain very low, and even with the small increases over the last nine or 10 years, and the creation of new tax-delivered benefits, the majority of people receiving social assistance in Ontario continue to live in poverty and many—particularly single people on OW, Ontario Works—live in deep poverty. A significant investment in rates is necessary, and additional supports are also required for those singles on OW whose poverty is the greatest.

But other people on social assistance cannot afford to have their benefits frozen at the same time. One aspect of last year's budget that we found deeply concerning was the red circling, or the freezing, of rates for the family

members of people with disabilities receiving disability support benefits.

The very small rate increase that came into effect in September was only given to the person with a disability in the family and not to the other family members. This practice runs directly counter to the policy goal of reducing poverty, and we ask that it end in this budget.

The second item I'd like to highlight is changing the treatment of child support payments so that they're treated the same as earned income. Changing the rules around child support would make a critical difference for single parents who are on social assistance, the vast majority of whom—about 90%—are women.

Current OW and ODSP rules mean that any child support payments that they receive are deducted dollar for dollar from their benefits. So they see absolutely no benefit from child support. If child support were treated the same way as earned income, that is the first \$200 exempted and a 50% benefit reduction beyond that—and that's the new rules that were instituted as a result of the budget in this last year—if those rules were to be changed, the poverty of single parents and their children could be significantly reduced. And if child support were treated in this way, requiring single mothers to pursue child support as a source of income, which is currently the case in the current rules, would no longer be necessary. We would replace a coercive practice, a coercive rule, with a positive incentive.

The public resources consumed in family courts and the legal aid system could also be reduced under this scenario. Clearly, fathers need to support their children, but children should get the benefit of that support.

The third item concerns the Ontario Child Benefit. As you know, the OCB has been a very important part of the efforts to reduce child poverty in this province and has made a significant difference. We're recommending that the OCB be increased by \$100 a year with inflationary indexing over the next five years of Ontario's next Poverty Reduction Strategy. This will allow that benefit to not only keep pace with the cost of living, but also continue to play a central role in reducing child and family poverty.

Increases in the OCB, however, must not be accompanied by further social assistance rate restructuring. When the Ontario Child Benefit was created in 2008, and every time that the OCB is increased, social assistance rates are reduced for families with children. This is called rate restructuring, and it has resulted in a significant decrease in the basic needs allowance and child-related benefits for people on OW and ODSP.

So while families with children on social assistance have seen a net benefit from the OCB, that net benefit has been small, relative to that seen by other families with children. Rate restructuring has undermined the policy goal of reducing child poverty in Ontario and it needs to end.

Fourth, people on social assistance need to return to the programs that provided a source of designated funds with appeal rights for the large lump sum costs that allow them to get and stay housed.

You probably remember that the Community Start Up and Maintenance Benefit and the Home Repairs Benefit were eliminated from social assistance programs starting in 2013. CSUMB, which is the acronym for community start-up, gave people on social assistance whose incomes are, again, amongst the lowest in the province, a source of funds to pay for those lump sum items like first and last month's rent, buying and replacing furniture, deposits on utilities and overdue rent or utility bills.

The Home Repairs Benefit gave people on social assistance who own their own homes—and these are folks primarily in the rural areas—a source of funding to keep their homes in good repair, but a new funding regime was created that means that there is less money now available to support low-income people with these needs. Funds are delivered by local municipal service providers, some of whom have created replacement programs and some of whom have not.

Access to funds that ensure that people on social assistance don't become homeless now depends on which area of the province they live in. Given the depth of their poverty, which inevitably results in urgent situations of housing insecurity, they now face an even greater threat of homelessness than before. The housing security safety net that community start-up and the Home Repairs Benefit used to provide is now gone. These programs should never have been eliminated in budget 2012; they should be rightfully restored, and we urge all parties to push for their restoration.

But in the meantime, since the responsibility to meet housing and homelessness needs has been given to municipal service providers, they should at least be given sufficient funds to do so. Municipalities have been operating over the past year with a new funding structure that has consolidated five separate programs, and have had to deal with responding to the need created by the elimination of community start-up and the Home Repairs Benefit. An additional \$42 million in transition funds was provided to them, but those funds run out in March, and they should be made a permanent part of the funding envelope.

Fifth, we're calling for a commitment to create an extended medical benefits system for all low-income Ontarians. This issue has been discussed in many quarters, and it's gaining support across Ontario. The creation of such a system would address the hardship that is experienced by low-income workers and their families, who currently have little or no access to vision, drug and dental supports.

The labour market is increasingly not providing these kinds of benefits, and low-income workers are hit the hardest, but an extended medical benefits system would also respond to the challenge faced by people who are leaving the social assistance system for employment. People receiving Ontario Works lose their health-related benefits once they move into the labour market. This is particularly difficult for people with children.

While people on disability benefits, the ODSP, can continue to receive benefits after moving into work,

suspicion of the system and fear of losing the benefits can pose a major barrier to those entering or returning to the workforce. A new extended medical benefits system would be a significant, transformational reform that would have positive ripple effects throughout a number of program areas and the economy, and would leave a legacy for generations.

I note that I am just about out of time. Three more quick items in our recommendations:

A rule change that would change the definition of "spouse" so that it aligns with the Income Tax Act would mean that OW and ODSP rules would require a support obligation only after two people live together for one year instead of three months, as is the current situation.

The Special Diet Allowance should not be looked to as a source of income to make other reforms, as it meets a critical need for people with health conditions.

The ability of community organizations to help low-income people file their tax returns would help those low-income people access the tax-delivered benefits that are created in order to assist them.

Thanks for your attention. I'm happy to answer questions.

**The Chair (Mr. Kevin Daniel Flynn):** That's great. Thank you, Jennifer.

**Ms. Jennefer Laidley:** Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Who's going to be asking the questions? Bas?

**Mr. Bas Balkissoon:** Thank you, Mr. Chair.

Thank you very much for being here this morning and providing us with your input. I just need to clarify your recommendation number 2.

**Ms. Jennefer Laidley:** Sure.

**Mr. Bas Balkissoon:** I want to understand it. When you say that child support payments are like earned income, are you saying that the support payment be part of their monthly OW/ODSP cheque that they receive?

**Ms. Jennefer Laidley:** So how it works now is, if a person has a child support order and is receiving child support, like any other source of income—and this is how both of the programs work—that income is deducted from their benefit cheque. So they would receive a child support cheque, and then they would receive a benefit cheque that has been reduced by the amount of the child support, unless, of course, the child support amount takes them over the eligibility threshold, in which instance they wouldn't be eligible for the benefit anymore.

What we're recommending is that the child support be treated the same way that earned income is treated, in that the first \$200 of child support would be exempt from being reduced from the benefit, and then a 50% reduction thereafter.

**Mr. Bas Balkissoon:** Have you costed that out, as to what it would cost the government to implement that?

**Ms. Jennefer Laidley:** No, we haven't costed that out, and it's a difficult costing to do, because we certainly don't have access to the records that would be available on how much each person on social assistance is receiving in child support.

1030

There's also the issue of voluntary agreements that wouldn't be counted—well, I suppose they would be counted, in that the benefits would be reduced. We certainly don't have access to those records, but through the family courts, that could be costed. I think the issue is less the cost to government in terms of the direct benefits that are being paid and more the cost to government in terms of the continuing level of poverty among families with children on social assistance. It's a cost-benefit analysis that needs to be done.

**Mr. Bas Balkissoon:** Okay. Have you taken the opportunity to appear before the committee of Frances Lankin and Munir Sheikh when they were doing their work?

**Ms. Jennefer Laidley:** Indeed.

**Mr. Bas Balkissoon:** And did you present this to them?

**Ms. Jennefer Laidley:** We did, and they in fact made that recommendation themselves. They recommend exactly what we are recommending, that child support be treated as earned income and that the requirement for single parents to pursue child support be made voluntary rather than mandatory, as it is now.

**Mr. Bas Balkissoon:** Okay. Thank you. My colleague has a question.

**Mr. Steven Del Duca:** I did have a question, but my colleague stole one of my questions.

**Ms. Jennefer Laidley:** Don't you hate that?

**Mr. Steven Del Duca:** Exactly, so I don't have any other questions, Chair. Thank you very much for being here.

**The Chair (Mr. Kevin Daniel Flynn):** We're down to seconds anyway. Jennefer, thank you very much for being here and thank you for your presentation.

**Ms. Jennefer Laidley:** Thank you very much.

#### CANADIAN FUELS ASSOCIATION

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation this morning is Eric Bristow from the Canadian Fuels Association. Eric, if you'd like to come forward. Welcome to the committee. Good to see you.

**Mr. Eric Bristow:** Good to see you.

**The Chair (Mr. Kevin Daniel Flynn):** Like everybody else, you have 15 minutes. Use that any way you see fit. Any time left over for questions will come from the Conservative side.

**Mr. Eric Bristow:** Thank you, Mr. Chair. Mr. Chair, members of the standing committee, my name is Eric Bristow. I'm the director of government and stakeholder relations in Ontario for the Canadian Fuels Association.

Just by way of introduction, Canadian Fuels Association members produce and distribute nearly all the fuels that power transportation in Ontario. Petroleum fuels account for 42% of the energy Ontarians consume. We're an anchor manufacturer in the province. The fuels we produce play a critical enabling role in the mobility of

people and goods. It's important to the fundamentals of the province's economy and Ontarian's quality of life.

Ontario is home to a third of Canada's refining facilities, along with an extensive infrastructure of transportation assets, distribution terminals and retail sites, providing Ontarians with the right fuel, at the right place, at the right time.

Canadian refiners continually improve environmental performance. Sulphur levels have been reduced over 90%. Air emissions of key refinery contaminants have been reduced 30% to 50%. Since 1990, greenhouse gas CO<sub>2</sub> emissions have decreased 26%.

Petroleum refining in Ontario is under intense competitive pressure. Meaningful consultation with industry is needed on key issues before the government announces or encodes new, or changes to, policies or tax measures in this upcoming budget, in order to avoid negative consequences for refining or manufacturing. I'll speak to a couple of specific examples shortly.

Before proceeding with any potential policy changes, cost, competitiveness and benefit impacts need to be well understood, with identified issues properly addressed. Canadian petroleum refiners are important economic contributors to Canada and Ontario. Recently the Conference Board of Canada reported on this sector, outlining its important contributions, including \$2.5 billion annual direct GDP to Canada, plus a multiplier effect of three times that. There are 17,500 direct refining jobs, at pay levels 50% above the average for manufacturing. I mentioned that a third of Canada's 18 petroleum refineries are in Ontario.

However, the Conference Board also outlined the significant global challenges that the petroleum refining sector faces. There is a low product-demand growth in North America and OECD countries. New super-refineries are being built in non-OECD countries, such as Asia and India, to serve their growing domestic demand and export. The North American price-setting refineries on the US Gulf Coast are three to four times larger than Ontario refineries. Canadian refiners need to be innovative to offset scale disadvantages, and they need government policies that are efficient, outcome oriented—as opposed to prescribing the how-to—and in line with requirements in key competing jurisdictions.

Like other manufacturers in the province, we are currently working on a dozen provincial and federal environmental policies that are either being implemented for the first time or are still being developed, and all of this at the same time. This cumulative regulatory load has negative competitiveness impacts. In some cases, Ontario and the federal government are regulating or working towards regulating the same items in different ways. This adds to the regulatory cost burden and unnecessary complexity. We urge the government to look at the cumulative impacts of the regulatory agenda for Ontario manufacturing and work towards a model that paces, stages and prioritizes the agenda in a more cohesive manner. This will give manufacturers the best chance of competitiveness success.

Two of the current files being worked by the Ontario government, biodiesel and greenhouse gases, are also being worked federally.

For biodiesel, in order to avoid a patchwork of different provincial requirements, Canadian Fuels supported the federal government in implementing a national 2% biodiesel mandate. A national mandate better recognizes the Canadian realities of geography, climate and fuel distribution, and minimizes the complexity and risk of supply disruptions, and encourages flexibility to minimize cost impacts to Ontarians.

Canadian Fuels' members provided evidence on the weak business case for an Ontario-specific mandate, as it has minimal incremental environmental, agricultural, economic or job benefits.

As an obligated party delivering fuels to Canadians and to Ontarians, Canadian Fuels provided input to a recent ministry regulatory proposal called Greener Diesel, outlining significant issues and terms essential to an implementation that minimizes the risk of supply disruption.

With a number of specific and significant issues on the table, it is premature to implement a unique Ontario biodiesel mandate as a part of this budget.

The Ontario government has been working towards developing its own greenhouse gas approach for industry. Canadian Fuels is very concerned that, to date, the Ontario policy discussions have not considered core competitiveness aspects to the degree necessary. Canadian Fuels and others in industry have outlined to the Ministry of the Environment several key steps to support the development of a provincial-wide strategy to address the GHG challenge in a cohesive, measured and sustainable manner. These steps need to be undertaken prior to tabling regulations.

So in pulling this together, in conclusion, we are an anchor manufacturer in the province, providing over 40% of Ontario's energy needs and nearly all of the province's transportation fuels. We have significantly improved our facilities' environmental performance, reduced greenhouse gases and improved our fuels, and will continue to do so. We are facing global competitiveness challenges, not unlike other manufacturing sectors in this province. We need governments to think about policies in a staged, paced and cohesive manner, supporting Ontario's jobs, economy and manufacturing sector. We urge meaningful consultation with industry on key issues—such as the ones I spoke about today: biodiesel and greenhouse gases—before the government announces or encodes new, or changes to, policies or tax measures in this upcoming budget.

I thank you for your attention and I welcome any questions.

**The Chair (Mr. Kevin Daniel Flynn):** That's great, Eric. Thank you very much for your presentation. You've left just about seven minutes for questions.

Doug?

**Mr. Douglas C. Holyday:** Yes, thank you very much.

Well, I'm interested in the fact that you're trying to be competitive with, I guess, other people who supply the

same product. I think that's good, but the thing that puzzles me about the competitiveness of your business is that when the price is out to the public, it's all the same. We've got dozens of people producing the gas and running the facilities, but at the end of the day, no matter what happens, the price is always the same. I'm just wondering why that is. If the government was to make you more competitive, would it reduce the price of gas—not uniformly throughout the group, but people who are able to perform better would have better prices?

1040

**Mr. Eric Bristow:** I guess a few comments relative to your question; it has a couple of facets to it. First of all, fuel prices in North America are not set in Ontario. We have to compete internationally. The price-setting jurisdiction in North America and impacting parts of the world is US Gulf Coast refineries, and they are three to four times larger than us. They bring product up into the northeast, up into New York harbour, and that sets wholesale gasoline prices. Refineries in Ontario, if you exclude taxes at the pump, which represents about 30% of the price of the pump—out of the refinery gate, Ontario refiners are competitive with US refiners. We have to be to survive.

Retail gasoline prices move based on a number of factors, including changes in crude oil, changes in the supply and demand for gasoline at the wholesale level, retail margins and any changes in taxes. The reality is, I'm not sure I can think of any commodity where you can drive down the road at 60 kilometres an hour and price compare. I can't think of many others that one can do that. So retailers have to be extremely competitive. People will go blocks out of their way to a station for what might be considered fairly small differences in prices. So a retailer, if they're out a penny a litre compared to another retailer, will lose business. You have to be competitive at the retail level and you have to be competitive at the wholesale level out of the refinery.

**Mr. Douglas C. Holyday:** Well, it just seems to me that in most instances, the prices are all the same. Yet, these competitive factors exist in producing the gas and certainly distributing it and then selling it, as you say, through these various dealers or outlets. Yet, at the end, the price always is the same. It's not even one cent or one fraction of a cent difference in most cases.

**Mr. Eric Bristow:** Experience has shown at the retail level that if you're out a half a cent a litre, you will lose business. People will go to the other station. So at the retail level, you have to be competitive day in and day out.

Now, prices will move up and down every day, or potentially every day, and wholesale gasoline prices move up and down. If wholesale gasoline prices in Ontario are not in line with wholesale gasoline prices in the US, it creates an arbitrage opportunity, and fuel will either move into Ontario or move out of Ontario. So if Ontario is low at the wholesale price level, fuel will be pulled out of Ontario, and if Ontario is high, fuel will flow into Ontario. On a day-in, day-out basis, there are

lots of businesses looking for very small differences, and on large volumes it has quite a dollar impact.

**Mr. Douglas C. Holyday:** Okay, the last question from me then: The government is contemplating, as you've heard, an increase of up to 10% a litre on gas to pay for transportation etc. What would your position be on that?

**Mr. Eric Bristow:** I guess a couple of comments: First of all, Canadian fuels and our members strongly support any actions that improve the efficiency of how we move people and goods to reduce the waste of fuel. Improved transportation, transit, helps move people more efficiently, and that reduces the use of energy or uses energy more efficiently. So we're very supportive of that.

In terms of the different—I guess you're speaking to the recent Anne Golden report. There were a number of different measures that were proposed. I mean, at the pumps, as we speak today, it's about 39 cents total tax per litre in Ontario. There already is a significant tax. I think the key thing for the Ontario government to think through, whether it be that tax or any other tax, is what are the consequences of making that change? If the price at the pump goes up or goes down or whatever, it will take money from other potential purchases and put it into that. So I think it's important that the government think through the consequences of tax changes and know that they're comfortable with those impacts.

The other thing that's critical is the business competitiveness impacts. If the cost of energy or fuel increases to a business as a result of something like that, what are the business competitiveness impacts of that? Could that cause businesses to have difficulty competing?

At the end of the day, I can't think of a single product made in Ontario with a price that's set in Ontario. We compete, in almost every sector, globally. Prices aren't going to change because Ontario's costs are higher or lower, depending on the cost structure of taxes. I think it's important to think through the competitiveness impacts and understand the implications before proceeding with any particular policy.

**Mr. Douglas C. Holyday:** Thank you very much.

**The Chair (Mr. Kevin Daniel Flynn):** It's going to have to be quick, Vic.

**Mr. Victor Fedeli:** Thank you, Eric. I think we heard from the Canadian Federation of Independent Business first this morning on what they feel the impact will be. Our MPP Bob Bailey in Sarnia has briefed our caucus quite well on this issue.

Would there be a couple of sentences you can give that I can take back to our caucus that would enhance what Bob has had to say about your position here today?

**Mr. Eric Bristow:** With respect to which—

**Mr. Victor Fedeli:** Just a summary.

**Mr. Eric Bristow:** I would say there are two things. One would be that the current level of initiatives on the table, both federally and provincially, for regulatory and legislative change or new initiatives is very substantial. There's about a dozen, and quite frankly, it's overwhelming industry. The whole rate and pace of that is very significant.

We had a study done by Baker and O'Brien, an independent company, to look at the potential impacts of three major policy files: fuels reformulation, greenhouse gas, and air emissions reductions. The estimated impact could be up to about \$3.5 billion, and, depending on the pace and state of that, it could put up to half the refineries in eastern Canada in a vulnerable position. So that's the linkage between that.

The other point I'd make is—

**The Chair (Mr. Kevin Daniel Flynn):** That would have to be a very, very short point.

**Mr. Eric Bristow:** Okay. For every policy, think through what that is doing to the competitiveness of the industry, be it refining or anything else.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much for coming today. We appreciate it.

#### ONTARIO CHAMBER OF COMMERCE

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation this morning is from the Ontario Chamber of Commerce. Andrea and Liam, if you'd like to come forward. Make yourselves comfortable.

**Ms. Andrea Holmes:** Good morning.

**The Chair (Mr. Kevin Daniel Flynn):** Good morning. Like everybody else, your group gets 15 minutes; use that any way you see fit. If there is any time at the end of your presentation, the questioning will come from the NDP.

**Ms. Andrea Holmes:** I'll just get some water, and I'll be good.

**The Chair (Mr. Kevin Daniel Flynn):** Just carrying on a family tradition.

The floor is all yours.

**Ms. Andrea Holmes:** Thank you for having us this morning. We're proud to present our preliminary pre-budget submission for 2014. I say "preliminary" in light of the fact that usually, by the time we do our pre-budget submission, we have the results from our pre-budget survey, one of the quarterly surveys that we release every year. In that, the business community answers many questions that are pertinent to the budget. Because it's earlier this year, this is not reflective of that, but it is reflective of our extensive network throughout Ontario.

The Ontario Chamber of Commerce represents 60,000 businesses across the province and 160 chambers of commerce and boards of trade. All in all, combined, it represents two million employed Ontarians and 17% of the GDP.

Again, when I was talking about those surveys, we do a lot of surveys, and one of them we did last year looked at Ontario's business climate and what businesses think of the economy going forward. We asked three questions: "In a global economic context, what direction do you believe Ontario's economy is going in?" "How confident are you in Ontario's economy?" "Looking inward, how confident are you in your own organization's direction?"

Two things we found from that: Businesses in Ontario are more confident in their own organization than they

are in the Ontario economy; secondly, there hasn't been that much change in the confidence of business in the economy since 2012. A lot of this information can also be found in our Emerging Stronger release, which is our economic agenda for Ontario that we release every year. This will be released two weeks from now. It is reflective of all the businesses in our network and our community. We believe that these five steps that we've outlined in our submission reflect what businesses think in Ontario.

The first thing that we urge the government to do and that we hope will make the province prosper economically is to tackle the deficit. Addressing the fiscal situation is probably the government's and business's first priority. The province spends more on interest charges than it does on colleges and universities. We think there are three things you can do to decrease that.

One is to continue and expand efforts to restrain public sector growth. Public sector salary growth has outpaced that of the private sector for the last 10 years—and there have been some measures taken by the government to do so. However, we believe there are loopholes that need to be filled and there need to be other things such as fixing the arbitration system to reflect municipalities' ability to pay and re-examining the sustainability of broader public sector pensions, some of which are in very poor health.

#### 1050

Secondly, we urge the government to work with the federal government to close the \$11-billion fiscal gap. Ontario continues to pay more into the federation than they get in return. Therefore, we think that Ontario needs to work with the federal government to reform things such as equalization as well as employment insurance and fix the funding gaps in infrastructure, training, housing and regional economic development funds.

Third, we believe that you can tackle the deficit by transforming government, by making greater use of the private and not-for-profit sectors to deliver services. Last year, we highlighted this in our report on alternative service delivery and areas which the government can tackle. The government has taken some steps to get the low-hanging fruit, but we believe there are a lot more transformative measures that can be taken. The public and non-profit sectors can deliver services with cost savings in a more efficient and effective manner. The first thing we urge the government to do is to take an audit of those areas in which the private or non-profit sector could deliver things in a more timely and efficient manner. This year we will also be working with KPMG and Maximus to highlight how the government should do that in a step-by-step process.

**Mr. Liam McGuinty:** Our second priority—if you're on page 7 of the pre-budget submission—is to create winning business conditions. Consider the context right now. Energy prices are going to go up by 30% in the next three years. There's a chance that the corporate income tax rate will go up by half a per cent if the transit panel's recommendations are adopted. The minimum wage is almost certainly going to go up; it's just a matter of how

much and when. Finally, the government is now discussing the idea of another pension plan, which will be modelled after the CPP, which means you'd likely have mandatory employer contributions. When you take those things collectively, what we're hearing from our members is that over the last year the business climate has been adversely affected. Some of these changes are only potential right now, so our recommendations are fairly straightforward.

On the corporate income tax rate: Keep it the same. By the way, we actually do support some revenue tools for transit, but corporate income tax hikes is not one of them.

Minimum wage: If you're going to raise it, tie it to inflation. It's a way that keeps it in line with the cost of living.

Third, if you're focusing on pension reform, let's look at PRPPs. The best way to move forward with PRPPs is to make sure Ontario's regulations are harmonized with those of the federal government, BC and Alberta, who are moving forward on PRPPs.

Lastly, we have a minimum wage comprehensive paper that came out in September so I'd urge you to take a look at that, and we have a pension reform paper coming out in about a month.

**Ms. Andrea Holmes:** Third, plug the skills gap: Ontario businesses continue to suffer from a skills gap, and we've heard from our network that there is one that does exist. In fact, 30% of businesses within our network can't find someone to fill the positions they have because they can't find someone with the right qualifications. Worryingly, the skills gap is in those sectors that are going to grow and grow over the next couple of years.

There are two things that we urge the government to do in order to fill those gaps. As you see on the left side of this page, we have a breakdown of where those skills gaps are in the regions and the sectors in Ontario. We think that there needs to be a space for employers in training. There needs to be more demand-driven training.

There are two primary reasons that employers aren't investing in the workforce: (1) they look at it as a public good and (2) the training programs that currently exist do not make a space for them. Moving forward now, the federal and provincial governments are negotiating the labour market agreements and there is a new federal program, the Canada Job Grant, that could create more space for employers. We urge the Ontario government to step forward and take a leading role in ensuring that there's more demand-driven training so that people get the right skills that they need. In the coming months, we will be consulting with employers across the province on why they're not investing in the workforce and what measures can be taken by both the Ontario government and the federal government to increase the employers' role in doing so, and I urge you to look out for that, as it will be very telling as to why people are not getting the skills they need in the province.

The province needs to ensure that the new federal immigration system works for Ontario. Ontario could in

the past be a passive actor on immigration. Immigrants came here; they chose us, predominantly Toronto and the GTHA. But now they're going out west or to other regions in the country. The EOI system is a federal system that will be implemented next year. This creates a great role for Ontario to be a more active participant in the immigration system and get the people that we need to fill the skills gaps that there are in the province. Last week, we released a report on the EOI system and the employer perspectives. We consulted with over 200 employers across the province, and they gave us recommendations on how the system should be designed to work for Ontario employers. Within that, it needs to be fast, it needs to be demand-driven and it needs to be flexible. I urge you to look at that as well, as it's very timely. In the next year or so, it will be implemented, and Ontario can take a great stance in increasing our number of economic immigrants.

**Mr. Liam McGuinty:** Moving forward to page 10, our fourth priority is to tackle infrastructure. In the interests of time, very quickly, a couple of numbers I want to highlight: one is a number I'm sure you've heard before, which is \$6 billion. That's the amount of lost productivity experienced due to poor transportation connectivity in the GTHA. The second number is 67.3%: Nearly 70% of businesses that we consulted with in the 905 support revenue tools for transit.

We've laid out several parameters. If there are going to be revenue tools for transit, they have to obey certain criteria, according to the OCC. I don't want to go through those, in the interest of time, but I do want to go through page 11 and talk about the Ring of Fire a little bit.

We're going to put out a paper in a month that shows the economic benefit of the Ring of Fire. It's going to look at not just northern Ontario, but at what's its impact on Toronto's financial services sector. What's its impact on the manufacturing sector in southern Ontario? What's its impact on Mississauga's mining supply services sector? I'm not going to say the number, but in the first 30 years of the Ring of Fire's operation, it's going to bring tens of billions of dollars of economic activity to Ontario, and it's going to sustain thousands of jobs a year.

What we're urging the government to do is to tackle infrastructure. It's the biggest obstacle to development of the Ring of Fire. The creation of a development corporation is a really good first step, but what our members keep telling us is that they need the federal government to play a strong role.

What I'd urge everyone here to do is talk to your federal cousins and make sure that they understand that the Ring of Fire is for Ontario what the oil sands are for Alberta, and businesses in Ontario expect the same types of federal investments that were made in Alberta.

**Ms. Andrea Holmes:** Finally, our last step—and this is page 12—is to export Ontario to the world. SMEs and businesses in general do not export enough in Ontario. So Ontario needs to support those programs right now that actually are working for small businesses in particular.

One of them that I'm going to highlight is the global growth fund that the OCC is actually a part of. It's funded by both the government of Ontario and the government of Canada. Last year, we distributed 5.6 million grants to SMEs across the province. In doing so, we've helped them access foreign markets that they otherwise wouldn't have.

Sales generated from that have been \$189 million. That's been a great result. That's over 1,000 businesses that wouldn't otherwise have accessed those foreign markets.

We really urge the government to continue to provide additional funding to programs such as the global growth fund that help small businesses access those markets that they otherwise wouldn't have access to and generate sales and economic prosperity for the province.

In the interest of time, we went through it quite quickly, but we wanted to give you a sense of all of the recommendations and the steps we believe Ontario could take. I thank you for having us here today. We actually outlined on the last page the upcoming reports that we spoke to: the report on the Ring of Fire, our report on the pension reform, alternative service delivery and the employer role in training. We'll have some great results from those.

Is there anything else you would like to say?

**Mr. Liam McGuinty:** No, I think that's it. We're just happy to take your questions.

**The Chair (Mr. Kevin Daniel Flynn):** Very good. Thank you, Andrea. Thank you, Liam. You've left about three minutes for questions. Michael? Jonah?

**Mr. Michael Prue:** I wish I had three hours. Okay.

The first question: You're talking about your first recommendation, continue and expand efforts to restrain public sector growth. You talk about public sector wages. You don't say anything about private sector wages. Last week or two weeks ago, the Globe and Mail published the 100 top executive salaries in Ontario, from \$49 million a year down to a paltry \$4 million a year. What effort should be made to restrain that?

**Mr. Liam McGuinty:** In the context of our pre-budget submission, we thought it would be more fitting to keep it on the broader public sector. But one thing that I do want to say is that 95% of our businesses are small businesses. Most of them are between the size of two employees and 10 employees.

It is an important subject. The point I want to make about public sector wages is this: That's a short-term solution. A longer-term solution is to transform the way we deliver services in this province. I just want to quickly comment on that. The room for shifting public services to the not-for-profit sector and the private sector, with government maintaining a strong role—there's a lot of room for that in Ontario. So I don't want to skirt the question—

**Mr. Michael Prue:** But you have.

1100

**Mr. Liam McGuinty:** But my point is that public sector wages, I would say, are a short-term solution. It's

what our members have called “low-hanging fruit.” The transformative measures are more transforming the way services are delivered.

**Mr. Michael Prue:** Why should public employees who make \$50,000 or \$60,000 a year be restrained when people who make \$49 million a year are not? You’re not saying anything about that.

**Mr. Liam McGuinty:** I’m not sure. I haven’t answered that question. In the context of this pre-budget submission, that wasn’t something that we had looked at.

**Mr. Michael Prue:** Okay. The next thing you say on that same page is about the pensions, that large pensions are not stable, but I think the OMERS pension, the nurses’ pension and the teachers’ pension are all hugely stable. They’re probably the model in Canada. Which ones are not stable?

**Mr. Liam McGuinty:** Well, there have been several news stories—I mean, we’ve heard about OPG and Canada Post—but we do make a point in our Emerging Stronger report coming up that, unlike what some people are saying, there are several very strong pensions in Ontario. I don’t disagree with what you’ve said.

**Mr. Michael Prue:** Okay. You went on to talk about how the corporate tax rate needs to be lower—

**Mr. Liam McGuinty:** Maintained. Maintained at the same rate.

**Mr. Michael Prue:** Maintained. Even the Minister of Finance for Canada says that all that has been accomplished by lowering the tax rate is that corporations are sitting on the money. No jobs are being created. What do you have to say about that?

**Mr. Liam McGuinty:** I think that the bulk of studies show that lowering corporate income taxes has a significant impact on investment. That would be our position on the corporate income tax. All we’re calling for is to maintain—

**Ms. Andrea Holmes:** Not to rise.

**Mr. Liam McGuinty:** —the corporate income tax rate. It was originally supposed to go down to 10%. Right now it’s at 11.5%, and we think, given the fiscal context, that that’s a reasonable level.

**Mr. Michael Prue:** Okay, but—

*Interruption.*

**Mr. Michael Prue:** Okay, I guess I’m out of time. Thank you. See? I knew I needed three hours.

**Mr. Liam McGuinty:** Thanks very much. Thanks for your time.

**Ms. Andrea Holmes:** Thank you for having us.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Liam. Thank you, Andrea.

#### CONSULTING ENGINEERS OF ONTARIO

**The Chair (Mr. Kevin Daniel Flynn):** Okay. David, from the Consulting Engineers of Ontario, come on forward. Make yourself comfortable. It’s the same as everybody else: 15 minutes. Use it any way you see fit.

**Mr. David Zurawel:** Okay.

**The Chair (Mr. Kevin Daniel Flynn):** In any time left over at the end, the questions will come from the government side. The floor is yours.

**Mr. David Zurawel:** The floor is mine? Okay. Thank you very much. Good morning to the members of the committee. My name is David Zurawel. I am the manager of stakeholder relations for the Consulting Engineers of Ontario.

The Consulting Engineers of Ontario is grateful for this opportunity to appear before the committee this morning as part of the annual public consultation process in preparation for the 2014 provincial budget. We understand how much interest there is from the public to make these remarks in person before the committee, so we do appreciate the chance to appear.

CEO represents Ontario member firms that provide a wide range of engineering services to government and private sector clients. Our members’ professional staff are not just engineers, but also technicians and technologists, geoscientists, architects and planners. Through their service offerings, CEO member companies directly impact the economic, social and environmental aspects influencing Ontario’s quality of life.

Today we would like to discuss how we can work with government to ensure the best possible return on the investment it is making and planning to make when it comes to public infrastructure. In this light, we would like to table the following recommendations with the committee.

Our first recommendation is to continue the government’s commitment to a long-term infrastructure strategy, with an emphasis on planning. For Ontario to realize the maximum return on investment on the tax dollars it dedicates to public infrastructure, government must have a comprehensive plan that clearly defines when it has successfully achieved its goals.

We recommend that any long-term strategic infrastructure strategy contain the following key features:

- a commitment to close and stabilize the infrastructure deficit over a prescribed period of time;

- a predictable plan for infrastructure investment, to allow governments, organizations and firms that plan, finance, design, construct and operate infrastructure to appropriately develop and allocate resources;

- defined roles for all partners and stakeholders in identifying realistic, deliverable objectives with measurement and reporting of successes;

- realistic timetables that balance the long-term urgency of infrastructure investment with current fiscal pressures;

- adoption of sound and consistent asset management practices to quantify the state of the remaining service life of existing infrastructure; and

- a transparent annual evaluation of progress.

Our second recommendation is that strategic long-term infrastructure commitments must be supported by dedicated revenue streams. To preserve the integrity of planning and investment of the magnitude required by the province, adequate funding must be assured. Govern-

ment must ensure that funds raised will be applied to the development of maintenance of the assets for which they are committed. Dedicated revenue generated using innovative tools for specific projects must be safeguarded by inviolable designated reserves.

CEO believes this is critically important for the government to ensure that these revenues be placed in dedicated reserves for specific, intended infrastructure investment. It is imperative that these resources cannot be siphoned off by future competing priorities as has happened in the past.

Our third recommendation is to develop a standardized decision-making process, incorporating success metrics, to be applied to all public infrastructure projects to determine whether traditional or alternative financing and procurement methods should be used.

CEO believes that with any form of investment, diversification is the best approach. Recent successes with both horizontal and vertical infrastructure projects here in Ontario and across Canada have proven the value that alternative financing and procurement—or AFP—models, such as P3s, have. Under the right circumstances, they can deliver assets quickly, efficiently and with optimal sustainability.

While we understand the need for alternative financing and procurement methods, we must remember that P3s are a suite of potential solutions and not a panacea. Decisions to use these tools should be based on criteria that include sustaining and creating jobs, and local and regional economies. The bundling of projects simply to meet financial criteria or to create administrative ease can harm smaller companies in the construction sector. Moreover, awards to foreign consortia have also sent engineering and design work offshore, putting domestic jobs in jeopardy. To date, this has happened on two major transportation projects.

Consulting Engineers of Ontario believes that risk and return will ultimately be the issue that defines the government's actions. Infrastructure spending costs billions of dollars annually, and it will be at a significant disadvantage if it does not take advantage of the consulting engineering sector that brings diverse experience and lessons from around the world.

Our fourth recommendation is to focus on investment in core infrastructure, both on new capital projects and ongoing maintenance of existing assets. Investment in core infrastructure directly effects our growth and continued social, economic and environmental prosperity.

The province's current infrastructure deficit, as we all know, is calculated to be more than \$100 billion. Much of our infrastructure—as much as 60% of that deficit—is more than 50 years old and is either nearing the end of its design life or is in drastic need of repair and maintenance.

Safe and reliable Ontario infrastructure requires planned investment, but investment in new infrastructure must be balanced by reinvestment in aging stock of existing core assets.

The province has to continue to put great emphasis on programs to manage growth and development in a way

that supports economic prosperity, protects the environment and promotes a high quality of life. These plans will not be successful if there is inadequate core infrastructure, such as roads, water, waste water, and electrical transition and distribution systems to support them.

I think what we're getting at here is that infrastructure has to be viewed as an investment and not as an expense. The great recession and radical weather events have demonstrated in the recent past exactly the true extent to which the lack of core infrastructure investment has hollowed out our society's ability to efficiently and effectively respond to and recover from both economic and environmental shocks.

Since 2005, the Ontario government has recognized a need for greater infrastructure investment and committed roughly \$75 billion to initiatives such as ReNew Ontario, Places to Grow and Building Together. These commitments have started the province on its way to addressing its infrastructure deficit, but, as we can all attest, we still do have a long way to go.

Yet just as, if not more, important as these monetary investments is the need for a commitment to robust planning, and I must stress this. A well-balanced, long-term strategic plan aimed at reducing Ontario's infrastructure deficit while anticipating future growth will see us become more competitive and resilient.

This regained strength of our province will stem from the following:

- a reduction in capital, maintenance and operational costs of infrastructure, over an asset's life cycle;
- the creation of long-term, multi-sector job creation; and
- the fortification of Ontario's design, technology and construction industries.

So these are the recommendations that we'd like to take and present to you today, and I would take any questions that you may have at this time. Thank you for the opportunity.

**The Chair (Mr. Kevin Daniel Flynn):** Wonderful. Thank you, David. Thank you for coming. You've left about seven minutes for questions. We'll start with Donna.

**Mrs. Donna H. Cansfield:** Thank you very much for your presentation. I wanted to ask you a question, and it's about the statistics that we receive. On one hand, we go to the foreign-trained engineers, or engineers in general, who cannot get a job. They have difficulty getting a job. On the other hand, the engineers' societies and yourself recommend that we put a significant amount of money into core infrastructure programs, and yet we just had the board of trade here indicating the percentage of businesses that have had difficulty hiring somebody with the right qualifications by sector. For engineering and infrastructure it's 52.3%.

1110

See the juxtaposition? Because then what happens is that, if you don't have enough people, the price goes up, because it becomes a supply-and-demand issue. And yet you're suggesting that we continue with all transportation, all water conservation and health facilities.

**Mr. David Zurawel:** Yes.

**Mrs. Donna H. Cansfield:** So how do we deal with those competing interests when we don't have the people? Engineers are here but not qualified. You want us to invest more money. There are not enough people to do it, and it pushes the price up, which is ultimately paid for by the taxpayer or amortized over many years and paid for a gazillion times by the taxpayer. Any ideas?

**Mr. David Zurawel:** So how do we resolve that skills crunch in order to get what needs to be done? I thank you for the question. That's actually interesting. I think part of the method to solving that problem is taking a look at what skills we need and how we ensure that we can supply a steady stream of professionals as they come into Ontario.

Part of that is working with the professions. Government and the professions, I think, should work together to provide information to people who may be looking to come to Canada, looking to come to Ontario, and say, "This is what the requirements are in order to get your designation or to practise a profession here in Ontario." Perhaps an engineering or accounting or a legal or medical designation may be adequate in the jurisdiction they're coming from, but there is not a reciprocity, a recognition of that designation, here in Ontario or elsewhere in Canada. So how do we ensure that people who have skills match up with what the requirements are?

In order to do that, I think that information needs to be made available to people who are looking to immigrate to Canada, particularly into Ontario, and that's something that the professions and the government can work together to take and put out there. People have to understand what they're coming into before they get here if they are looking to practise engineering, as an example.

**Mrs. Donna H. Cansfield:** There is an accreditation process in Ontario. These are qualified individuals. They lack the so-called "Canadian experience." So maybe part of the responsibility rests not solely with government, but with the firms that need to hire them in order to give them the kind of experience that they need, and also for the societies as a whole to ensure that that happens. I'd just leave that with you, because I know that my colleague wanted to—

**Mr. David Zurawel:** Okay. May I make a brief comment on that? I think any solution to this problem is something that would have to be done in concert with government and the professions. I would not simply say that government needs to fix this.

**The Chair (Mr. Kevin Daniel Flynn):** Steven?

**Mr. Steven Del Duca:** Thanks very much, David, for being here today and for your presentation. I had a quick question.

Obviously you're here in part to advocate for the need for continued, and probably enhanced, investments in crucial infrastructure renewal. You mentioned in the course of your presentation the idea around the increasingly unpredictable, erratic weather patterns that we've seen here in parts of Ontario over the last year alone. Just out of curiosity, would you be able to elaborate a little bit

about how the government should consider, perhaps, reshaping or retooling some of the infrastructure investments to deal with, like I said a second ago, increasingly unpredictable weather patterns?

**Mr. David Zurawel:** Thank you for the question. That actually is a very pertinent question.

I think the fundamental way to answer that, or even to address that issue, is that there needs to be a detailed, robust, comprehensive asset management plan in place in Ontario.

I know that, under Building Together, that is an element that is being constructed, and the municipalities are creating those asset plans. I think that when the province is able to see where the infrastructure exists and what condition it's in, that will trigger well-informed development which speaks to capacity so that we know how many people are using a system such as a sewer, a storm sewer, which speaks to water and waste water.

In the flood that we had over the course of the summer, part of the problem was that we've got so much density using existing infrastructure that it's just not able to handle surges under intense storms like that. We're looking at density that's taxing capacity on water and waste water systems so much that we've got municipalities that are seriously looking at levying different property taxes for people who have paved front yards, because of the runoff going into the street, which goes into the storm sewer, which creates the flood, rather than having healthy yards that can absorb the water and disperse that and keep it from going there in the first place.

We have to have a robust asset management plan system that can tell us who has the capacity to take on more density so that we know what systems are in place that can handle that—and if not, then direct the investment that's required to ensure that we have adequate capacity both in the present and moving forward.

**Mr. Steven Del Duca:** Great. In your second recommendation, you talk about the idea that long-term infrastructure commitments should be supported by dedicated revenue streams. I just want to clarify: Are you recommending new revenue streams that are dedicated for infrastructure or existing revenues that come in as part of what we already have in Ontario that would be then separately dedicated for infrastructure?

*Interruption.*

**Mr. David Zurawel:** Do I get to answer that?

**The Chair (Mr. Kevin Daniel Flynn):** That would have to be a very short answer.

**Mr. David Zurawel:** A quick answer?

**The Chair (Mr. Kevin Daniel Flynn):** Yes.

**Mr. David Zurawel:** Yes, to both. Bill 141 proposes the creation of a Trillium fund that the finance minister spoke to earlier this fall. Also, we have the issue of surtaxes on gasoline. The money needs to be spent on the projects that are allocated. We know that gasoline surtaxes are being used for things other than upkeep of transportation infrastructure assets. So if you have a dedicated fund, keep the funds flowing to the projects for which they were originally intended.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much for coming, David.

**Mr. David Zurawel:** Thank you very much.

#### ONTARIO FEDERATION OF LABOUR

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation this morning is Sid Ryan from the Ontario Federation of Labour. Sid, please come forward and make yourself comfortable. I'm sure I don't have to tell you the rules. You've been here many times before. You have 15 minutes, so use that any way you see fit. If there is any time left over for questions, it will come from the Conservative Party.

**Mr. Sid Ryan:** Thank you for having us here today. My name is Sid Ryan. I'm the president of the OFL, which represents 54 unions and over one million workers in Ontario. Joining me today is Brynne Sinclair-Waters, who is the OFL research director.

We have a real opportunity with this budget to make meaningful gains for the people of Ontario. In recent months, Premier Kathleen Wynne has acknowledged what we've been saying for many years: Austerity is not working. She said, "A misguided focus on austerity and short-term thinking will not help Ontario expand its economic prospects, create jobs...."

Last year, the OFL travelled across the province to find out what Ontarians would like to see in a people's budget. We heard that austerity was failing the people of Ontario, especially those who are most vulnerable, and that Ontarians want to live in a fair and equitable society. While last year's budget took some direction from the people's budget and responded to the NDP demands by investing in infrastructure, reforming social assistance, committing to youth employment and establishing a panel to advise on setting the minimum wage, it did not confidently break from the austerity approach. Devastating spending cuts continued, justified by overstated deficit projections.

In November's fall economic statement, your government made a positive commitment to put investment in jobs, growth and families ahead of short-term deficit reduction. Following on this commitment, the 2014 budget must put forward ideas and take bold action to set Ontario on a new path. It is time for the government to ensure an economic recovery for everyone by setting a people's agenda for Ontario, one that expands opportunities and reshapes the future of our province around fairness, equity and good jobs.

Ontario has still not recovered from the recession. Over 280,000 new jobs are needed today to return Ontario to 2008 employment levels. Unemployment has been consistently hovering between 7% and 8%, much higher than the 2008 unemployment rate of 6.5%.

1120

While employment numbers lag, austerity has also shifted the burden for driving economic growth in Ontario to working people. The 2013 budget predicted that household spending would drive over half of economic

growth in the next four years, indicating a dangerous overreliance on debt-fuelled consumer spending.

Today's challenging economic context demands a bold approach to setting the economy back on track, one that sees your government embrace its role as an important driver of the economy.

First, strategic and focused investments must be made in key sectors of the economy that foster innovation, promote sustainability and create good jobs. This includes the public sector, the manufacturing sectors and the green energy sector. But support for companies in Ontario must come with strings attached. Just a few years ago, your government sunk millions of taxpayers' dollars into the new Kellogg's plant in Belleville. Then in December, Kellogg's announced the closure of the larger plant in London. This raises the question, why didn't government support come with commitments to keep existing jobs in Ontario? Open-ended corporate subsidies do not make sense.

Ontario's aging infrastructure is also badly in need of repair, upkeep and expansion. The funding for infrastructure in last year's budget was a welcome first step. Our recommendation is that a fund be established that is dedicated to publicly financed and operated infrastructure. Ontarians will not tolerate another gas plant scandal, in which billions of taxpayers' dollars were lost because of the failure of public-private partnerships. History has shown that public operation and maintenance is the most efficient, cost-effective choice.

Government investments can go further to spur Ontario's economy if local procurement policies are adopted. Unfortunately, trade negotiations with the European Union have produced an agreement in principle that threatens provincial and municipal governments' ability to use public money to support local and sustainable economic development. All efforts must be made to oppose restrictions on local procurement in the CETA before it's too late.

Together, strategic support for innovative, sustainable and productive sectors of the economy, investment in infrastructure and local procurement policies will spur the economic recovery Ontarians have been waiting for.

To ensure that all Ontarians share in that recovery, your government must also take measures to make every job a good job. Unfortunately, the growth of low-wage and precarious work is pushing our province in the wrong direction. The number of people working for minimum wage has doubled in the last 10 years, to reach over half a million people, and 33% of workers in Ontario now have precarious jobs, without benefits or job security.

Across the board, people in Ontario believe that a job should lift working people out of poverty. A strong, year-long campaign to raise the minimum wage has carried a clear message to your government that the minimum wage should be raised to 10% above the poverty line, or \$14 an hour, and be indexed to the cost of living. The minimum wage advisory panel will be releasing their report soon. By taking immediate action to establish a fair wage floor, your government has an opportunity to make historic gains for working people in this province.

The growing reliance on migrant workers in the Ontario economy also demands stronger protections to ensure these workers do not face excessive recruitment fees, substandard housing, unsafe working conditions or unpaid wages. The proposal in Bill 146 to extend the Employment Protection for Foreign Nationals Act to all migrant workers would provide some protections, but its effectiveness would be limited because it relies on employee complaints rather than proactive enforcement. To ensure adequate protections for migrant workers, a comprehensive public registry and licensing system of all employers and recruiters must be established, similar to what is in place in Manitoba.

We all know that good jobs are at the heart of a healthy community and economy, but the Conservatives are still putting forward a cynical economic strategy that would drive down wages. For decades, union security arrangements have brought a high degree of stability to labour relations in Ontario by ensuring that all workers who benefit from a collective agreement contribute to the costs of maintaining that agreement through their union dues. The Conservatives have made dismantling these arrangements by importing anti-worker laws from the United States one of their top priorities.

Despite their claims, stripping workers of their collective rights will never create jobs. When Tim Hudak tells Ontarians that good wages are a barrier to good business, he's really telling families that they deserve to live on less while corporations scour the globe for greater profits. The provincial government must maintain a strong position against these proposals to avoid a race to the bottom that would force workers to compete with each other for lower wages and fewer benefits. This commitment to workers' rights must also be expanded by ensuring all workers in Ontario are free to organize collectively in a union without fear of employer reprisals or intimidation. Reforms to protect organizing rights, including successor rights in the contract sector, are included in Bill 129, which is currently before the House and must be passed as soon as possible.

This year's budget must also take steps towards eliminating poverty and expanding opportunities for all Ontarians. Austerity has resulted in massive real-dollar cuts and in the erosion of quality public services available in this province. Your government must reinvest in social assistance, education, health care, child care and other public services to ensure that every person in Ontario receives the care and the opportunities they deserve.

In particular, something must be done about the retirement crisis in this province. Over half of Ontarians do not have a workplace pension and 86,000 seniors are living below the poverty line. To ensure retirement security for all Ontarians, pooled registered retirement pension plans must be rejected. We do not need another expensive high-fee arrangement. Instead, the Canada Pension Plan reform must remain a top priority. If no progress is made, labour must be consulted on the best way to move forward with an Ontario pension plan.

The fairness we must strive to achieve in our society and economy also applies to how Ontarians contribute

financially to the overall well-being of this province. Years of tax cuts have disproportionately benefited the wealthiest citizens and corporations, while the promised economic benefits and jobs for the rest of Ontarians have not materialized. Replacing reckless tax cuts with progressive revenue generation is long overdue.

We recommend that your government restore the corporate tax rate to 14%. After all, Mike Harris could live with 14%, and we all know that he was no raving socialist. We also ask that you increase the tax rates for those earning over \$250,000 by 2%, which would generate collectively up to \$3.2 billion for funding public services and programs.

In conclusion, for far too long, workers in Ontario have been bearing the burden of an economic recession they did not create. Now the Conservatives are putting forward a plan to strip those workers of their collective rights while disguising it as a jobs plan. By rejecting this low-wage agenda and calling on corporations to become fair tax partners, the provincial government has a real opportunity to stimulate the economy and deliver the recovery that Ontarians have been waiting for. Your government must stick to the Premier's own words: that a departure from austerity is the only way forward. The growth of low-wage jobs must be met with swift action to raise the minimum wage and protect vulnerable workers, while the public services Ontarians rely on must be reinvigorated and strengthened. It is time for a budget that invests in people, communities and jobs to spur economic growth and expand opportunities for everyone.

We urge your government to do what's right for the economy and to deliver what's fair for the people of Ontario. Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Sid, for your presentation.

Vic, you've got about three and a half minutes for questions.

**Mr. Victor Fedeli:** I'm not sure how we can speak of austerity when we're about to see an \$11.7-billion deficit here, but I can say that you and I do agree on our feelings about corporate welfare and we certainly agree on our feelings about the reprehensible gas plants scandal, having a government spend \$1.1 billion to save a few seats. So at least we know we can agree on that.

Let me ask you, I didn't see anything in here on the Liberal Party's philosophy of changing the amount of nuclear we depend on in Ontario from 56% down to 45% and the job losses that that would create. Would you care to use a couple of minutes to tell me about that?

**Mr. Sid Ryan:** Certainly, but before I go there, just to clarify in terms of—

**Mr. Victor Fedeli:** No, I want you to—

**Mr. Sid Ryan:** Yes, we'll get to that—in terms of corporate welfare, I'm assuming you mean you're also going to capture in the corporate welfare a reduction of corporate taxes from 14% down to 11.5% at a time when that was dead money, and it's not creating any jobs, as the federal finance minister and the governor of the Bank of Canada have recently indicated. I would hope you would include that in the corporate welfare.

**Mr. Victor Fedeli:** Well, in corporate welfare, I was referring to your comment about Kellogg's—

**Mr. Sid Ryan:** And of course we agree that that should come with strings attached.

**Mr. Victor Fedeli:** —and the fact that these companies are sitting on their money because, from what we've been able to determine, they just don't have any confidence in the government of Ontario. That's why we've lost 39,000 jobs last month, and 39,000 jobs the month before. There's no confidence in the government that's sitting today.

1130

**Mr. Sid Ryan:** Okay, so getting back to your question about nuclear power: I used to work in a nuclear power plant for 17 years, so I know a little bit about it, and of course we know that the primary source of the baseload is the nuclear power plants. We know that the economy—we're moving in a direction where we have to find sustainable sources of energy, including green energy.

So, from one perspective, I applaud the Liberal government for moving in the direction of a green energy strategy, which I know you folks want to kill—which is the complete opposite direction in which most folks in the rest of the world are actually travelling, but—

**Mr. Victor Fedeli:** You do realize that that energy that's created from wind is made at night, and we end up selling it to the States and Quebec at a loss?

**Mr. Sid Ryan:** Well, wind actually—

**Mr. Victor Fedeli:** I think the auditor told us recently—

**Mr. Sid Ryan:** To be honest with you—

**Mr. Victor Fedeli:** —it was a \$1.8-billion loss.

**The Chair (Mr. Kevin Daniel Flynn):** Let him complete his answer.

**Mr. Sid Ryan:** If I could, yes.

**The Chair (Mr. Kevin Daniel Flynn):** Vic, let him complete his answer.

**Mr. Sid Ryan:** To be honest, I think the wind blows 24 hours a day. It doesn't just blow at night, so I'm assuming that we generate electricity from wind and solar during the day as well.

**Mr. Victor Fedeli:** Well, yes. We have heard that it was almost three megawatts created the other morning, out of 1,700.

**Mr. Sid Ryan:** And we do know that it's a fairly new technology. We know that in the beginning stages of any new, innovative—

**Mr. Victor Fedeli:** Tell us about nuclear.

**Mr. Sid Ryan:** Can I answer questions without you interrupting? Is that okay?

We know that it's a new technology, and we know that it's expensive. All new technologies are expensive to get off the ground, so in the beginning phases there's no question about it: It's going to be very expensive. But I hope you don't disagree that it's the way we ought to be moving, particularly when you see what we just came through in terms of the ice storms, the floods and you name it in the last number of years.

Hopefully your party will begin to understand that moving towards green energy is the way for Canada and the rest of the world.

**Mr. Victor Fedeli:** Well, I'm sorry we didn't get to your answer on nuclear. That would have been interesting to hear.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much for being here.

**Mr. Sid Ryan:** Okay. Thank you very much.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you for your presentation. Thank you.

#### ONTARIO ENGLISH CATHOLIC TEACHERS ASSOCIATION

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation this morning is another Ryan. James, welcome.

**Mr. James Ryan:** Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** From the Ontario English Catholic Teachers Association. Make yourself comfortable. Fifteen minutes, like everybody else. If there is any time left over at the end of your presentation, it will go to the NDP this morning.

**Mr. James Ryan:** Okay.

**The Chair (Mr. Kevin Daniel Flynn):** And introduce yourselves for Hansard, so we know which one of you is speaking.

**Mr. James Ryan:** Okay. Thank you, Mr. Flynn. My name is James Ryan. I'm president of the Ontario English Catholic Teachers Association. Seated to my immediate right is David Church, who is the deputy general secretary of the Ontario English Catholic Teachers Association.

First of all, I'd like to thank the committee for the opportunity to speak today on a number of issues of importance. We represent over 45,000 women and men who teach in Ontario's publicly funded Catholic schools, from junior kindergarten right up to grade 12—I should state: English-language Catholic schools.

It is the continued government funding of the Catholic education system that I want to address with you first. For over 170 years, we have been providing students with a holistic education that makes our schools unique. It means that we go beyond the basics in terms of academic excellence, in that we develop students' character, morality and sense of common good.

There is the excellence of the educational system; it is part of an excellent overall educational system, and I would say that about all four systems of publicly funded education. Our schools consistently show results in terms of how well students do.

Catholic schools are also extremely high in terms of parental support and community support. We have over 648,000 students in publicly funded Catholic education, English and French, across the province, and our community, which is made up of four million Catholics in this province, is extremely pleased with the Catholic educational system.

Many non-Catholic parents also choose to send their students to Catholic secondary schools because of the excellent education that they provide. It's not uncommon, especially in the urban areas of Ontario, such as the greater Toronto-Hamilton area and the Ottawa area, for 40% of Catholic secondary schools to consist of non-Catholic students.

Families make the choice of sending their children to our system because of the outstanding education it provides and the sense of communities. I know that as MPPs from all three parties you stood firm in your support of Catholic education, and I'd like to thank each and every one of you for that. Certainly, Ontario's four million Catholics are very grateful for the stand that you've taken in support of publicly funded Catholic education, which is, of course, protected by the Constitution.

There are many reasons why this issue has garnered attention recently. There's the austerity agenda. There is anger with the Ontario English Catholic Teachers Association, for instance, for signing a memorandum of understanding last year in a very difficult round of negotiations. There is traditional anti-Catholic sentiment and, in many ways, the increasing demands of the secular community.

Usually opponents cite cost savings of between \$500 million and \$2 billion. There is, however, no evidence behind any of these figures and no one has ever been able to produce a shred of evidence as to savings. In fact, we believe it's quite the contrary. Moving in any direction towards amalgamation would lead to significant costs for the province. Education funding is on a per-pupil basis, so there can't be any real savings.

The Catholic system, of course, has a long history of working often with less. Creating fewer larger boards would most definitely result in additional costs. Bigger isn't always better and we've seen this, particularly in the cases of certain school boards in the province, and I point to Ottawa, Toronto Catholic and public, and Dufferin-Peel, where there have been significant problems with administrative inefficiencies in all of those boards.

This week, we read about a report conducted by Dr. Timothy Cobban at the University of Western Ontario that confirmed what many of us already knew about amalgamation during the 1990s: It did not save money and it never does. The size of municipal governments grew, the number of employees grew, especially at the administrative levels where salaries are highest. Those of us in the education sector witnessed the same things in school boards. The minor savings that would be achieved through the elimination of a Catholic school system is hardly warranted. The Ontario educational system works. It is one of the best educational systems on the planet and it works because of all four elements of the system: English Catholic, French Catholic, English secular and French secular.

Many folks speak about Quebec and Newfoundland having changed their systems. The context is entirely different. In Quebec, Protestants were the minority rights holders in that province. When the Quebec educational

system moved to English and French as the basis of its system, the Protestant community, which was the minority rights holder under the Constitution, gave its full consent to that conversion because they believed that their rights as anglophones were most important in that equation. In Newfoundland, of course, there were no rights holders. There were four separate, distinct religious educational systems with more boards in Newfoundland than there were in British Columbia. It was simply a matter of economics and the economics did make sense in Newfoundland, and in two separate referendums it achieved the consent of all of the communities.

It's more important that we not look at the systems—as one of our sister affiliates, I know, has met with all of you and talked about radical change to Ontario. Instead, I think we need to look at our system and how do we make our educational system better. That means we continue with our existing framework, which, as I said, is one of the best educational systems in the world that has been built by all three of Ontario's political parties over a century.

**1140**

The previous administration a year ago took a very hard line on deficit reduction. It's true that reducing the deficit is important to restoring Ontario's economic stability, but not at all costs. We need a fair and balanced approach to this. It is not the best route forward to slash public services and lay off public sector workers. This will only lead to greater social inequality and higher long-term costs.

In terms of unions, unions help to foster a productive economy and a fair society. In the words of Pope Francis, "Trade unions have been an essential force for social change, without which a semblance of a decent and humane society is impossible."

Although some claim that freezing public sector wages and cuts to public sector jobs will solve the province's economic challenges, the Ontario deficit was not the result of spending on public programs. The Minister of Finance stated in the fall economic statement, "Ontario has the lowest per-capita program spending in Canada." Nor are public sector employees out of line with private sector comparators. Studies show that male public sector workers actually lag behind their private sector counterparts while female public sector workers are only marginally ahead.

In 2012, few would argue that amongst the public sector workers, teachers and other unionized educational workers bore the brunt of paying off the deficit with the two-year wage freeze, with unpaid leave days, with new teachers having their grid frozen. These changes to the provisions and to their collective agreements resulted in a \$1.2-billion savings to the treasury. Recent reports have revealed that during the same period, school board administrators, on the other hand, received increases that defied the legislative wage freeze. Given the sacrifices already made and the true nature of Ontario's fiscal deficit, teachers and other educational workers have done more than their fair share to solve the deficit. OECTA

has recommended in the 2014 budget an investment in education to address cost increases, including the area of compensation for teachers and education workers.

An important aspect of a balanced approach to deficit reduction is to look beyond spending cuts and consider the revenue side of the equation. Progressive taxation is an important part of this. Despite cuts to corporate tax rates since the 1990s, businesses have actually decreased their investment in both equipment and machinery. The former governor of the Bank of Canada—

*Interjection.*

**Mr. James Ryan:** Four minutes?

The now-governor of the Bank of England talks about the dead money. Corporate tax cuts have also led to a structural problem in terms of revenue. So we need to examine these rates.

We also need to look at the top-down nature of student achievement through EQAO. There are better ways of doing this. If we look at Finland in terms of their educational attainment, they do not spend the amount of money that we spend on constant testing.

Child care is really important to the future of our educational system. We need to make sure that's provided. We also need a poverty reduction strategy, including a higher minimum wage, that will support students going to school.

Mr. Chair, I will cut it there, and I'm free to take questions.

**The Chair (Mr. Kevin Daniel Flynn):** Very good. Thank you very much, James. Thanks, David. Jonah? You've got about three minutes.

**Mr. Jonah Schein:** Okay. Thanks for your presentation. I noticed in your notes here you have a little bit about community hubs, and I'm curious to know more about that and other ways that we can use school facilities better and make sure that they're more accessible and get a maximum use out of them.

**Mr. James Ryan:** Thanks for the question. I think community hubs are critical. Schools need to be an integral part of their community. I've seen excellent examples in Ontario—one in Toronto, in fact—and elsewhere in Canada, in places like Saskatoon, where you have one building with the Catholic high school on one side, the secular high school on the other and a community centre and a library in the middle. The athletic facilities, for instance, of both high schools are open to the community centre at night so that you utilize schools better.

Especially in terms of future building costs, we shouldn't just look at schools, but we need to look at all of the community's needs, and that means integrating the needs of the municipalities, the parks and the library services with the educational services and using those as focal points for the community.

**Mr. David Church:** There are significant investments government makes into programs and child and family services in many communities, both through direct funding and through subsidies. In a lot of these cases, these services are provided in office buildings, and there's

always a call about unoccupied classroom spaces and things like that. I think there is room for incorporating some of these very relevant services into unoccupied classrooms in school space, which would offer integrated approaches to child and family services across the province.

**Mr. Jonah Schein:** Would you be open to working with the public school system, to share some of those facilities? If you're building a new Catholic school, to have the gym facilities open to public school—

**Mr. James Ryan:** Certainly, as OECTA, we've always been supportive of that. There are many things in our communities that public schools and Catholic schools already share. I've been in many schools in northern Ontario where the French Catholic and the English Catholic schools share the same building, the same secretaries, the same library, the same gyms. So I think that's a reasonable approach to take.

**Mr. Jonah Schein:** Okay—

**The Chair (Mr. Kevin Daniel Flynn):** I'm afraid that's going to be it, Jonah. You're probably not going to get through the question.

Thank you very much for coming today.

**Mr. James Ryan:** Thank you.

#### CO-OPERATIVE HOUSING FEDERATION OF CANADA

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation this morning is someone who has spent a lot of time around this building. I'm surprised you want to be back here again.

**Mr. Victor Fedeli:** I thought we were done.

**Mr. Harvey Cooper:** You're never done with us.

**The Chair (Mr. Kevin Daniel Flynn):** It's the Co-operative Housing Federation of Canada. I call on Harvey. Welcome. You have 15 minutes; use that any way you see fit. If there's any time left over at the end, it will go to the government side. The floor is all yours.

**Ms. Nicole Waldron:** Thank you. As you know, we are from the Co-operative Housing Federation of Canada. I am Nicole Waldron, the president, and with me is Harvey Cooper, our manager of government relations, whom you all know very well.

We represent 555 non-profit housing co-operatives, home to some 125,000 people. This morning, we're very pleased to present to you, providing our suggestions for the 2014 Ontario budget. Harvey will be answering questions at the end of my presentation.

Ontario is facing a growing shortage of affordable housing, as attested to by the some 156,000 households on the municipal waiting lists. The Canada-Ontario Affordable Housing Program and now its successor, the Investment in Affordable Housing, have added about 1,500 units annually since their inception about a decade ago. While this is an important contribution by senior levels of government, the levels of investment are quite modest when compared to the affordable housing supply pro-

grams in existence from the end of World War II until the mid-1900s.

The lack of affordable housing for key workers in many sectors is threatening the province's economic competitiveness. Investment in affordable housing would play a critical role in addressing this problem, and it would create valuable, long-term public assets. What's more, construction and renovation of affordable housing would provide significant and immediate economic stimulus, creating good jobs, often using local-supplied materials and producing a major economic multiplier effect.

Recognizing that we are in a period of fiscal restraint and economic uncertainty and that the province is committed to balancing the budget by 2017-18, we want to suggest five low-cost or even no-cost initiatives that the government should take and all parties should support to create new affordable housing and ensure that the existing stock operates efficiently and is preserved as a long-term public asset.

(1) Replace expiring federal housing assistance for low-income households. Today, nearly 200,000 vulnerable Canadian households, almost half living in Ontario, depend on federal rent-geared-to-income housing assistance to pay their rent. Of these households at risk, just over 7,000 live in federally funded housing co-ops in Ontario.

Federal assistance is delivered through operating agreements with co-ops and other housing providers developed under federal housing programs in the 1970s and 1980s. When these agreements end, so does the RGI subsidy. There is no commitment from the federal government to extend RGI assistance. Some of these agreements have already expired, and we are quickly approaching 2020, at which point a large majority of the contracts will have ended.

## 1150

This is a critical issue for federal co-ops. Vulnerable households have few other affordable housing options, and they will not be able to afford to stay in their co-op homes without assistance. This, my friends, could become a homelessness issue, and that needs to be addressed.

Co-ops across the country have been actively asking governments to fix the co-op housing crunch. The federal government has been largely silent on this issue. There are billions of federal dollars that will become available over the next quarter century as these operating agreements expire.

The Ontario government has a clear interest in ensuring that existing affordable housing continues to be available. Together with other provinces, Ontario should negotiate with Ottawa for the reinvestment of expiring federal assistance in a long-term cost-shared plan for affordable housing that includes rent supplement funding.

A key part of the solution is to ensure that a portion of the funding is earmarked for long-term RGI assistance for federal housing co-ops and non-profits with expiring operating agreements, and, by extension, the households

who live in these communities and who depend on this assistance.

(2) Enact inclusionary zoning legislation. The province, under its planning authority, can mandate a municipal zoning approval process that requires developers to make a percentage of housing units in new developments available at below-market rents. In return, the developer would receive a density bonus, allowing more units than would ordinarily be permitted under zoning restrictions. The below-market housing created would be affordable to many low- and modest-income households who cannot afford the steep rents charged in many recent condominium developments.

While inclusionary housing policies are set by local governments, it is up to the province to ensure that these municipal measures can be enforced and are not subject to endless challenges at the Ontario Municipal Board. A straightforward provincial statute to give municipalities the authority to establish inclusionary zoning practices would accomplish this goal. The government should give serious consideration to enacting such legislation. Inclusionary zoning has proven an effective tool in the United States, where it has been used in a number of states and municipalities.

(3) Make government lands and surplus school properties available for affordable housing. Ontario should follow through on earlier commitments to facilitate the development of affordable housing on surplus provincial lands. A major part of the capital costs for affordable housing would be removed if the land were available without charge. This would reduce the capital grant required from government and bring down the required economic rents. It would also lower the subsidy required to bridge the gap between economic rent and a rent-geared-to-income rent level. The province should follow through on this long-delayed initiative that would help create many more affordable homes without incurring significant government expenditures.

To ensure maximum accountability for public investment and long-lasting affordability, priority for provincial lands should be given to co-operative and other non-profit housing organizations.

Another step the government should take to increase the supply of affordable housing is to amend regulation 444/98 to the Education Act regarding the disposal, selling or leasing of public school board lands to add co-operative and non-profit housing to the list of priority uses for the surplus sites.

(4) Preserve the existing affordable housing stock. The long-term viability of much of Ontario's social housing stock is at risk, as economist Don Drummond noted in his 2012 report on the reform of Ontario's public service. This is of serious concern.

Co-op and non-profit housing providers need access to new mortgage financing to pay for capital repairs to their aging building stock. One significant step Ontario could take, with little cost to the provincial treasury, would be to expedite a program through Infrastructure Ontario to allow providers to leverage the equity in their housing to

borrow the money they need at reduced IO rates and extend their mortgages so that their debt-servicing costs do not increase.

Last but not least:

(5) Build more co-op housing. For many years, CHF Canada has raised concerns with the province about the barriers to the development of co-ops and other community-based non-profits under the federal-provincial AHP and IAH programs. Historically, almost a quarter of social housing developed in Ontario was co-op housing. Under the recent programs, that share has dropped to less than 4%. We don't believe that this is the policy intent of the Ontario government. In the recent debates on Bill 14, MPPs from all three parties spoke about the benefits of the co-op housing model—that it's cost-effective and builds healthy communities—and said that the government needs to find ways to facilitate the development of more co-ops.

We urge the government to examine the barriers that have blocked the development of housing co-ops under recent supply programs and take steps to address them. Another measure that we recommended previously to achieve more co-op housing development would be for the government to set aside a certain number of units specifically for the development of co-ops. The province used this type of approach when they set up a reserve stream for development of affordable housing on brown-field sites a few years ago. Municipalities should still be responsible for selecting suitable projects for development and later would be responsible for administration, but the reserve pools of units could only be used to build housing co-ops.

The co-op housing sector is anxious to work with MPPs of all parties to follow through on these practical suggestions and to partner with government to find other creative ways to ensure that every Ontarian has a decent, affordable place to call home. Housing is not a privilege; it's a right.

I want to thank the committee members for the opportunity to address you this morning. As mentioned, Harvey will be pleased to take your questions.

**The Chair (Mr. Kevin Daniel Flynn):** I like that ending. Okay, it comes from the government side this time, and it's going to be who? Donna?

**Mrs. Donna H. Cansfield:** Thank you very much for your presentation. It's always so nice to see you, Harvey.

**Mr. Harvey Cooper:** It's a pleasure to be here.

**Mrs. Donna H. Cansfield:** I feel like we've spent a lot of time together over the years.

*Interjection.*

**Mrs. Donna H. Cansfield:** Anyways, you've done just an astounding job, and I wanted to be able to say publicly thank you for your extraordinary hard work and support.

**Mr. Harvey Cooper:** It's a collective effort from the co-op sector. I want to thank all the MPPs, from all three parties, that unanimously supported our bill. Thanks.

**Mrs. Donna H. Cansfield:** One of the things that I was able to do was to actually go to a co-op and have the

experience and listen to and speak with the individuals who were involved. Probably, that was sort of an epiphany for me around the whole co-op experience and how important the co-ops are in the grand scheme of things, and how we need to be able to encourage and support that particular sector.

I just wanted to say that, again, I encourage my colleagues to take that same opportunity. It helps to put things into perspective and it enables us in a way to be able to continue to support the work that you're doing.

I wanted to again say thank you for recognizing that like all things, it starts in an incremental way. We have to build on this and make sure that we're doing it right. We reinvest when we are, and again you've recognized that—because not everybody does. Usually, everybody just comes and says, "We want a lot of money," end of discussion; you're not. I think that's the credit to your organization that says, "Look, we're prepared to look at this to make sure that it's financially sustainable and also that we're doing the right things." I just want to say thank you for that.

**Mr. Harvey Cooper:** Thank you very much.

**The Chair (Mr. Kevin Daniel Flynn):** Are there any other questions from the government side?

**Mr. Harvey Cooper:** Maybe I could have a couple of minutes—

**The Chair (Mr. Kevin Daniel Flynn):** You do.

**Mr. Harvey Cooper:** —because Donna did, I think, give a testimonial, as many MPPs have done, around co-operative housing. I know pretty well all the MPPs around the table on this committee have co-ops in their riding. Many of you have visited them many times. In terms of new development, as we mentioned in our submission, we think there are some small things the province could do to level the playing field, and that's all we're looking for. Just the way the current programs work, there are often equity requirements from the proponents, which often knock out small-scale, community-based groups like co-ops and non-profits. These organizations—we don't have land at our disposal, so that was one of the suggestions we've made, and that's certainly a very significant component of any new housing that is put up.

If you're looking at—we also mentioned it in our brief and I noticed there was some discussion with the previous presenters around perhaps school sites that are surplus or the school board is working with a developer to put up a residential component. Maybe that's where we work in a co-operative. So I think there are opportunities there if we're creative and if there's political will because we think it's a housing model that works, not only in terms of affordability but building community. You're all in public life; you see it day in, day out.

1200

We invite you to visit any one of the co-operatives in your ridings. I think you'll attest to the fact that these are just as active communities as the provincial Legislature. People are passionate about their homes. They have opinions also on how their homes should be run, and I

think that's a public good. It's not only a roof over their head; they take part in the governance and the running and the management of their housing, and I think we're all the better for it.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much, Harvey.

Thank you, Nicole. Thanks for coming today.

**Ms. Nicole Waldron:** Thank you so much for having us. Have a great evening.

### TORONTO MENTAL HEALTH AND ADDICTIONS SUPPORTIVE HOUSING NETWORK

**The Chair (Mr. Kevin Daniel Flynn):** Our next presenter this morning is Noel Simpson, the executive director of the Toronto Mental Health and Addictions Supportive Housing Network. Noel, have a seat.

**Mr. Noel Simpson:** I'm accompanied by Jean Stevenson, who is another executive director.

**The Chair (Mr. Kevin Daniel Flynn):** Wonderful.

**Mr. Noel Simpson:** Actually, I'm not the ED of the network. It doesn't actually have one. I'm the executive director of Regeneration Community Services, which is a charitable non-profit that provides supportive housing and case management services in Toronto, as does Jean's organization, Madison. But the network is 29 similar organizations that come together to share their experiences and, at this point, advocate for supportive housing.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you for coming. All members of all parties thought it was important that we hear from you today.

**Mr. Noel Simpson:** Yes. We're very appreciative of being invited to come.

**The Chair (Mr. Kevin Daniel Flynn):** You've got 15 minutes, like everybody else. Any time that's left over, that questioning will go to the Conservative Party. It's all yours.

**Mr. Noel Simpson:** Okay. We are here to discuss the future of supportive housing in the province of Ontario—although we're from Toronto, we recognize that supportive housing is an issue right across the entire province—and the true benefit to someone of having a home.

Without a home, one cannot pursue health, employment and the enjoyment of life. You may be aware of the Dream Team—I know the Dream Team has spoken to many MPPs—and their advocacy for more supportive housing. One of the most powerful moments in their presentation was when Linda Chamberlain, upon the realization that the apartment she was viewing was hers, exclaimed, "I have a home." I think that's really important to recognize that that goes on quite often, but not often enough.

We have a diverse and successful system of supportive housing in this province. It succeeds by recognizing the need and providing safe, secure affordable housing with appropriate supports to allow the individual with mental health or addiction issues the opportunity to pursue health, employment and the enjoyment of life.

The statistics on successful tenancies and low recidivism rates bear this out. Yet in Toronto, the wait-list for supportive housing is at a staggering 8,000 individuals. This is a real wait-list not susceptible to skeptical speculation that it represents a few people with names on many wait-lists. As an aside, when we created this list, there were over 3,000 people on separate lists, and, after amalgamating them, only 37 duplicates appeared.

I can safely state that the need is as great in all of Ontario. In the 1980s and 1990s, purpose-built housing was in vogue, and many successful supportive housing projects were put in place that continue to provide that so important home with health and housing supports as part of the housing.

There is a need for this type of housing again, as it is difficult to provide high-support housing in anything but a purpose-built site. Also, in smaller communities in Ontario, there is very little availability of rental housing, so rent supplements become a bit onerous for an agency in those areas because they have difficulty finding the housing to rent.

More recently, there's been a commitment to rent supplements and case management supports that allowed for independent living and quicker realization of the goal, although not having the supports available directly within the housing can sometimes reduce the effectiveness.

In reality, both systems have a place in Ontario. The recent focus on alternate level of care in mental health and addictions has pointed up the need for 24-hour high-support housing. In Toronto, there are approximately 300 units of this type of housing. Yet, on this amalgamated wait-list, there are 565 individuals on the list waiting for that housing, and another 150 so designated waiting in hospital.

In Toronto, a recent study and projection of the need for 24-hour high-support housing pointed out that 170 new units are needed now, and 50 units per year for the next 10 years would meet the need. By the nature of programming in high support, the requirements are such that it is almost impossible to create an appropriate setting without it being purpose-built, although a recent 40-unit project was developed by a private landlord to specifications for a good high-support site. It has an annual operating budget of \$1.28 million, and I've broken it down with the various areas of funding. But it's important that that landlord was able to do this with the commitment that if they got the rent supplements, or the rents that would help carry the building, they were prepared to create this site.

The cost of this site is \$88 a day, whereas for an individual in a psychiatric hospital, it can be anywhere between \$600 to \$800 a day. I think that's an important statistic, because the individuals in the high-support housing have left hospital to go into this type of housing.

Interestingly enough, of the 40 units, in the last two years, 45 individuals have lived in the housing; three, unfortunately, had to return to hospital; and two have moved on to a lower-support type of housing.

In your presentation, there is an alternate plan of lesser support. The funding for rent supplements is essential to

match the commitment to support for the population most in need. The Toronto Central LHIN will be allocating up to \$3.5 million to house and support complex clients with mental illness, but there is no funding for additional rent supplements, yet most of this group is homeless and needs housing first before the recovery process can begin. This is the disconnect, or the Catch-22, in our system: that we don't have, as often as we would like, the coordination between the support dollars and the housing dollars. Recently, the TC LHIN put out a proposal call to fund the support component of high-support housing. Again, there was no corresponding funding for the housing.

In short, there's not one solution to the supportive housing crisis but many, and we have the benefit of having successful examples of all the possible solutions right here in Ontario, and we created those here in Ontario.

We need funding for more supportive housing. We need to take these examples and create an extensive 10-year plan to fund sufficient supportive housing that would include funding to build appropriate 24-hour high-support housing, expanded funding for rent supplements, funding for purpose-built housing where rent supplements are not applicable and creative solutions to finance the repurposing of existing stock of affordable housing to enhance the system capacity.

I'm reminded of a statement—this happened to me many years ago, when I worked at the Queen Street Mental Health Centre—by the head psychiatrist, stating that psychiatry is the only profession in the world—and he was talking about medication at the time—that if you apply something and it doesn't work, the only answer is to apply more of it. I'm not sure it's so true now, but I think it might very well be.

I think the obverse of this is, in Ontario; we have a very successful system. We have created supportive housing that is working to the benefit of many Ontarians, but we need much, much more of it.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much for your presentation. Doug or Rod? You've got about seven minutes.

**Mr. Douglas C. Holyday:** Seven minutes?

**The Chair (Mr. Kevin Daniel Flynn):** Yes.

**Mr. Douglas C. Holyday:** I'm just wondering, what funds would you require annually to support this?

**Mr. Noel Simpson:** There was a second document which I didn't speak to: Briefing Note on Housing First and the Need for Rent Supplement Funding. That was created by Steve Lurie of the Canadian Mental Health Association but represents the issue. It mostly talks toward rent-supplement housing. Six items down, he talks in terms of \$25 million. That would be annualized over, I think, a three-year period.

In terms of the high-support housing, I did some quick figuring. If we were to fund the 170 units that are needed now, that would be approximately \$32.5 million, both for the supports and the housing. Then if we were to continue doing the 50 units a year, that would be at approximately \$12.5 million per year to increase.

High-support housing is expensive. I think the important thing is that what it does is move people out of the hospital and it stops them from going back to the hospital. So, at some point in time, you would see that the numbers or the ability of a hospital may be reduced, such that it may not always need to be new money but may very well be able to repurpose or shift monies.

1210

**Mr. Douglas C. Holyday:** I guess the figure that I was wanting was the capital cost to build the housing. How much would that be?

**Mr. Noel Simpson:** That varies. In Toronto, now, we're talking over \$150,000 a unit—probably closer to \$200,000 for a unit.

**Mr. Douglas C. Holyday:** I'm figuring out here how many units you need.

**Mr. Noel Simpson:** I used to be good at mental math—\$200,000 a unit times 170 units—is that \$34 million or \$340 million? That's building it. That's investing in a capital way—you asked the capital question. We have that now. There are many housing projects that were capitally funded and now exist. We have one, ourselves, at Regeneration. We get absolutely no money from the ministry at all to manage that housing, save for a small capital allowance.

What we've also managed to do is use rent supplements and partner with a private landlord, so that the private landlord can make the project work by having rent payable to him or her at reasonable market rates—\$800 to \$900 a month. The rent supplement covers that cost. The private landlord bears the brunt of investing the capital.

They often make use of federal funding, RRAP funding, so that because they are committing to maintain lower rents and to support individuals who need disability, they can get added funding federally that actually lowers the capital equation for them.

**Mr. Douglas C. Holyday:** So you wouldn't be after the government to provide capital funding for these?

**Mr. Noel Simpson:** Yes, we would, but not all of it. I think the important thing here is that we need a plan to do this in a measured way. In other words, if you have someone in Timmins or Hearst or Geraldton, applying rent supplements in that area may not be the most productive way of getting people into housing. You may very well want to use capital to create the supportive housing. In Toronto, I think we need both. The problem in Toronto is that finding a building that could adapt to that kind of housing is difficult. You can find small apartment buildings, but then you have construction costs to add on common space and put in a kitchen so that you can provide food. It would make life much easier if it were done capitally, but there are ways that we can accommodate to do it another way.

**Mr. Douglas C. Holyday:** I've talked to people at the city of Toronto about this very matter, and I know that there's certainly a large benefit to being able to help people make an adjustment to live on their own, or at least live in a way that, if they're supported, they can stay

out of institutions and so on, and I appreciate that. I'm just trying to find out the dollar amounts that you're asking the province of Ontario to put forward for this thing, both in capital and—on an annual basis, I guess—the operating costs. Do you have any figures?

**Mr. Noel Simpson:** I have some here. I could pull them into a form that I could get to you by tomorrow.

**Mr. Douglas C. Holyday:** Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** You always have the opportunity to provide a written submission or any further information—maybe the information that Doug is asking for.

**Mr. Douglas C. Holyday:** I think it may help your situation if the government knew what money it is you're after.

**Ms. Jean Stevenson:** If I may, the Toronto Supportive Housing Network is literally just beginning the process of identifying the specific needs, or the asks, so I think there will be much more specific information that will come out of that process. We'll be specific pretty soon.

**Mr. Douglas C. Holyday:** Okay.

**Mr. Noel Simpson:** If I were to say to you that we need \$52 million in fiscal 2014-15 and then \$30 million each year after that, I would think that you would also probably like a fairly distinct breakdown of where that money would go. We would actually map out the process by which that money would be spent.

**Mr. Douglas C. Holyday:** Thank you very much. I'll turn it over, then.

**The Chair (Mr. Kevin Daniel Flynn):** You've got about 30 seconds.

**Mr. Rod Jackson:** Quickly, I guess a quick question might be, do you have any of your budget set aside for youth-oriented housing, for youth dealing with addictions and mental health?

**Mr. Noel Simpson:** The Supportive Housing Network was funded for adults, so people aged 16 to 64, although many people have aged in housing now. I think Comsoc or community and social services funds for youth, and some of our partners—LOFT, for example, has youth funding within the network of the Toronto group.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much for joining us today. We're glad you did.

**Mr. Noel Simpson:** Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** We're going to recess until 1 o'clock.

*The committee recessed from 1215 to 1300.*

#### ONTARIO HEALTH COALITION

**The Chair (Mr. Kevin Daniel Flynn):** Let's call to order.

Our first presenter of the afternoon is Natalie from the Ontario Health Coalition. Natalie, come forward. You're no stranger to this room. Make yourself comfortable. Everybody is getting 15 minutes; use that any way you see fit. If there's any time left over, the questioning will go to the NDP. The floor is all yours.

**Ms. Natalie Mehra:** Well, thank you very much. I wanted to first express our appreciation from the Ontario Health Coalition that the pre-budget process, with the hearings and notice for the hearings, has been reinstated this year. We appreciate the opportunity to present before the committee.

My name is Natalie Mehra; I'm the executive director of the Ontario Health Coalition. Our mandate is to protect single-tier public medicare under the principles of the Canada Health Act in Ontario. I'm here with my colleague Kim Johnston, who is our campaign director.

I wanted to focus most of our comments today on the key new proposal that we have heard about from the provincial government. The government is planning to—actually has brought in regulations to dismantle hospital services and hive off their services to private clinics. So the LHINs, the local health integration networks, will be able to contract private clinics to do hospital clinical services, and Cancer Care Ontario will also be able to contract private clinics to do hospital clinical services.

We're extremely concerned about this proposal. For the purposes of this committee, I'll focus on the budget, the financial implications of this proposal, but in addition to the financial implications, there are lots of implications regarding quality of care, access to care, equity and other issues.

Internationally, the experience with these types of high-volume specialty clinics is that they don't actually cost less; they cost more. Former British health minister Frank Dobson reports that the independent sector treatment centres, the same model of private clinic which had been opened in Britain, cost 11% more. Various studies from the British Medical Association journal—and in fact, there's total consensus of opinion; nobody disputes this—claimed the clinics take lighter, easier patients, healthy, wealthier patients, leaving the heavier-care patients behind in local hospitals. So just as public hospitals would be losing resources, both human and financial, to the private clinics, at the same time, the private clinics leave behind the heaviest-care patients.

But we don't need to look even as far as Britain to find the evidence that there is a real problem with this proposal. Ontario is planning to expand the private clinics under the Independent Health Facilities Act. This act covers about 1,000 private clinics in Ontario, 98% of which are for-profit. Yet the Auditor General's report in 2012 shows that there have been very, very significant problems with the oversight of these clinics under this act.

Just to highlight a few of the key findings of Ontario's Auditor General with regard to these clinics, he said the problems that have been identified for more than a decade have not been addressed. There has been no recent audit work done by the Ministry of Health on the clinics. There is no oversight of professional fees charged by physicians in these clinics. The ministry, although it did an assessment of questionable billing practices, has taken no action whatsoever on the one in four independent health facilities that show questionable billing

practices, yet the ministry's own figures show that 20% of the tests being ordered by these clinics are likely inappropriate. That means they are over-testing, from which they profit. It means that the physicians in these clinics have no controls over how many services they are billing for. And oversight of the facilities in terms of inspections, even for basic things like radiation leaks that would impact patient safety, has not been done in the majority of the clinics.

But of key importance to this committee is the lack of oversight over the billing practices of physicians in these clinics. To expand the independent health facilities sector in Ontario is to expand a licence to print money for physicians who are operating private practices for their own profit. There is no control over self-referral for physicians in these clinics, so an ophthalmologist can say to a patient, "Look, the wait-lists are too long in the public system for cataracts. You can come to my clinic and I'll give it to you next week." That happens often. But they sell to them medically unnecessary services commingled in, so the patient is charged up to \$1,200 to have their cataracts done, because the physician has recommended to the patient to bundle in a medically unnecessary procedure, something that a patient wouldn't know how to question. And the physician has referred the patient to their own clinic, telling them that the wait lines are too long in the public system, something that patients wouldn't know how to gauge the truthfulness of, or not. This is not an appropriate way of delivering health care.

The Public Hospitals Act provides for governance, quality protections, all kinds of provisions for quality assurance. Public hospitals do not charge extra user fees or violate the Canada Health Act in the way that the private clinics do in Ontario, and the physicians in public hospitals don't have the same kind of free licence to bill endlessly, because, of course, they have to triage their patients and share operating room time. So not only will this proposal cost more, but it also threatens to devastate local access to hospital services, particularly in small and rural communities. It's a bad policy and we're strongly encouraging the government to revisit it.

The second key issue for us is that for seven years now, hospital funding has not kept pace with the rate of inflation. Last year in the budget, hospital funding was frozen. This has resulted in really very dramatic cuts to needed services all across Ontario. This year alone, thousands of endoscopies, colonoscopies and cataract services have been cut from local hospitals; rehabilitation services have been cut from local hospitals. These are not being replaced in home care or community care. Any such claim is a misnomer. Those services are not equivalent, and many of them can't be provided in home care at all. They are simply being cut from the public system and they are being privatized. In Ottawa, for example, with the endoscopies that were cut from the Ottawa Hospital, it was revealed in the Ottawa Citizen that patients are now being charged \$80 apiece to access those services, in violation of the Canada Health Act, in private clinics.

### 1310

But of particular concern to us are the small and rural hospitals. Wallaceburg's hospital has just received news of another whack of cuts, which really brings that hospital down to basically an emergency room and a handful of beds. The laboratory has been closed; nurses are doing point-of-care testing. The future viability of that hospital is very, very much at risk.

Picton's hospital has also been cut down to a pale shadow of what it was. This beautiful community in which there are more than enough physicians to staff the hospital continues to see very, very serious cuts to services. Leamington's hospital has seen very serious cuts to services.

Despite the minister's rhetoric and despite repeated budget announcements in the last two budgets of \$20 million in order to protect small and rural hospitals, we can find no evidence that any of that money has gone to stave off any cuts in the small and rural hospitals or to protect services. In fact, what we found is that it took more than a year for the first set of money to flow, and what did flow was only part of it—that at least has been publicly announced. Most of that went to community care, not to actually protecting small and rural hospital services.

Finally, despite the rhetoric, the truth is that the experience of Ontario patients now is that we have the fewest hospital beds of any province in the country per capita, by far. We actually have the fewest hospital beds of any industrialized nation in the world at this point, yet we are continuing to cut beds and services. Ontario's hospitals are now the most overcrowded that I could find of any jurisdiction. This approach to budgeting hospitals, the zero approach, the approach that sets funding at less than the rate of inflation to force cuts, must be abandoned. Hospital funding must be improved and stabilized.

The idea that these services are being moved to home care simply is not true. Home care really does need to be reformed in order to ensure that the money that is going to home care—and we do applaud the increases that have gone to home care, that actually make it to home care to improve services in the home.

I'll just leave it there. There's more in our submission, particularly around recommendations to stop the privatized P3 hospitals, but that's being covered by our local coalitions in particular communities that are affected.

**The Chair (Mr. Kevin Daniel Flynn):** Very good. Thank you very much, Natalie. You've left about four minutes. Jonah? Michael?

**Mr. Michael Prue:** Yes, a couple of questions here. You started off by saying that the government is contracting services that were held in public hospitals to private clinics. Is that not contrary to the Canada Health Act? How can that happen?

**Ms. Natalie Mehra:** The Canada Health Act requires public administration of the health care system. It is possible to privatize the delivery of services; however, the evidence is the private clinics that exist already in

Ontario are violating the Canada Health Act. So the idea that you can privatize delivery, but it's not going to impact single-tier public medicare, I think, is really profoundly untrue.

We phoned every clinic that exists across Ontario and across the country, every private clinic, and asked them, "Can I buy my way to the front of the line? How much will it cost me?" etc. What we found was that the vast majority of clinics—not a small majority, the vast majority of them—do extra-bill patients. They do charge extra user fees. They comingle medically unnecessary services with medically necessary services to get around the Canada Health Act, and they do violate the Canada Health Act, even bluntly, openly.

**Mr. Michael Prue:** Has the government been aware of this before your saying this today? I mean, I've heard this before. Has the government?

**Ms. Natalie Mehra:** Yes. We presented our findings to the Ministry of Health, and we've asked the Ministry of Health to investigate the clinics. We provided transcripts of our phone calls to the clinics in which the clinics offered to sell services unlawfully. They said that they would charge us for things that they're not allowed to charge for—for example, nursing care, maintenance of patient records. All of these things are unlawful under the Canada Health Act, but they're doing it anyway. There is really very little enforcement in Ontario today.

**Mr. Michael Prue:** Okay. I'm flabbergasted here a little bit. The government has been told this and they're proceeding, notwithstanding: That's what you're saying.

**Ms. Natalie Mehra:** The government has been told this, and we raised the issues that we outlined about the high cost of the existing independent health facilities, the questionable billing practices, the lack of oversight. This sector is a sector that is already rife with problems, and we've said to the government, "Why would you expand this sector?" If you want to create specialty clinics, you can do it under the Public Hospitals Act. We can have a separate debate about volumizing and centralizing services out of local communities. But changing the ownership to private clinics is fundamentally problematic and shouldn't be done.

**Mr. Michael Prue:** I'm particularly worried about some small, rural hospitals. You talked about Leamington, Wallaceburg and—there was another one in there too.

Anyway, we saw an announcement yesterday in Niagara Falls about building a new hospital. I'm not going to be cynical and think that has something to do with February 13, although I think the whole rest of the world does think that. What's going to happen to the five hospitals that are in the Niagara region now?

**Ms. Natalie Mehra:** This is really a deep concern. Here's a bottom-line answer to your question: All of those local town hospitals are to be closed. For all the years now that we've fought against a really terrible restructuring plan in Niagara, we've been able to at least keep the Fort Erie and Port Colborne hospitals open. These are towns of 40,000 and 20,000 respectively.

There's nowhere in the world that I've heard of jurisdictions closing hospitals in a town of 40,000 people—nowhere. Yet this plan would close down those hospitals—the Welland hospital, the Niagara-on-the-Lake hospital and all their services—to replace with one hospital, with no promise whatsoever of any service levels.

The people of Niagara have already gone through devastating cuts. It cost \$60 million to close beds and restructure that hospital, only to end up with a deficit that was exactly the same—\$15 million—as it was prior to the restructuring plan.

The current plan needs to be evaluated, and no plan to cut more services in Niagara should proceed without the ministry or the government providing one iota of evidence that this is going to meet patient needs in all of those communities in the peninsula.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Natalie, for coming today.

#### FEDERATION OF RENTAL-HOUSING PROVIDERS OF ONTARIO

**The Chair (Mr. Kevin Daniel Flynn):** Our next presentation this afternoon is from the Federation of Rental-housing Providers of Ontario: Mike Chopowick, if you'd like to come forward. Make yourself comfortable. Like Natalie, you have 15 minutes; use that any way you see fit. If there is any time at the end for questions, it'll come from the government side.

**Mr. Mike Chopowick:** Thank you, Chair. The Clerk of the Committee informed me that if I had a laptop with slides, I could use that. It's not necessary, though; I'll just give a verbal presentation.

Good afternoon, everyone. I'd like to thank the Chair and members of this committee for giving us the opportunity to speak here today. My name is Mike Chopowick; I'm the acting president and CEO of the Federation of Rental-housing Providers of Ontario. We represent 2,200 landlords and property managers across the province who supply rental homes for over 350,000 households across Ontario.

Ontario's private sector rental industry may be best known for providing homes to roughly 1.2 million rental households across the province, but it's much less widely known that Ontario's rental industry is a significant economic engine. In December 2013, KPMG Canada completed a report for us that made estimations on the economic impact of the rental housing industry in the province. The results were eye-opening; it was the first time that we've conducted such an assessment. The KPMG report found that in 2012, Ontario's rental housing sector contributed \$18.3 billion to the provincial GDP, which is almost 3%, and generated total labour income of \$8.3 billion and direct and indirect jobs of 146,000. The industry contributed a very significant \$7 billion in total government revenues. In 2012—and this is very important—our rental housing industry also invested \$4.5 billion in infrastructure, both in constructing new

rental housing units and repairing and maintaining existing ones, which works out to an average of \$2,250 per suite.

Currently, there are fundamental changes in both housing preferences and demographics that are affecting the rental housing industry in Ontario. Single-person households are growing. Home ownership costs are increasing. Both these trends are increasing demand while vacancy rates are declining. While private sector construction of apartment buildings is currently at its highest level since 1993, there's still going to be additional construction needed to meet the demands of Ontario residents in the future.

The reason why I presented these statistics on our sector's contribution to GDP and to jobs and the \$7 billion in tax revenue: I'm sure as you've travelled across the province, you've heard from a lot of groups in these budget consultations. Unlike them, we're not here to ask for funding or tax cuts or tax credits or grants or loans or anything like that; we just wanted you to be aware of the significant economic activity from rental housing and stress that one of the biggest factors that's going to help secure that economic contribution in the future is simply public policy on housing. So we have a few recommendations we want you to take note of and consider.

1320

The first one is to provide adequate assistance to low-income rental households. Ontario still lacks a housing-focused income program to assist the working poor. We've made a recommendation for a new housing benefit program to help Ontario achieve its poverty reduction goals and help low-income households with their high shelter cost burdens and minimize the risk of homelessness.

Licensing: In 2008, changes were made to the Municipal Act that enabled municipal governments to enact licensing programs on rental housing. Some of these fees now range between \$200 and \$400 in cities like Waterloo, Guelph, London and Oshawa. Ultimately, landlords have no choice but to pass these fees down to tenants. That's going to impact housing affordability. We're recommending that the province restore the pre-2008 Municipal Act regulation that protects rental housing from costly licensing programs.

The adjudication system that oversees the rental housing sector is the Landlord and Tenant Board. Unfortunately, while it's a fair system, it is plagued by delays. This doesn't serve landlords or tenants properly. No one likes to have delays in their justice cases that are before the Landlord and Tenant Board. Some of these delays in Ontario range from 60 to 90 days. Part of this is a financial issue. We make a recommendation that adequate resources be provided to the Landlord and Tenant Board to help reduce these administrative delays.

Allowing more tenants and landlords to negotiate rents: Ontario's rent control policy is right out of the 1970s and remains a barrier to investment in the industry. Our two specific recommendations are to consider increasing the Ontario rent guideline by 2%—that's it—

to give landlords the ability to recover repair costs and maintenance opportunities. Also, we strongly recommend to preserve vacancy decontrol and the post-1991 rent control exemption, which is a must for safeguarding future billion-dollar investments in new rental housing.

Property tax policy: While municipal property tax rates aren't directly under the control of the province, the provincial government controls the Assessment Act. Ontario stands alone amongst Canadian provinces for allowing municipalities to charge tenants two to three times the property tax rate that they charge owner-occupied homes. We strongly urge the government to adopt the recommendations made by many reports over the past few decades to combine the multi-residential property tax class with the residential class so that the municipal tax rate on multi-residential properties is reduced to the residential rate. That's one of the single biggest things you can do to improve housing affordability in Ontario.

Action on these five issues will help ensure the continued viability and economic contribution of the rental housing sector in Ontario. Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Perfect, Mike. Thank you very much. You left over seven minutes for questions. Who would like to go first?

**Mr. Steven Del Duca:** I have a quick question. Thanks very much, Mike, for being here and for the presentation.

I was just wondering, as you were going through the recommendations and talking about some of the challenges that are faced in the industry and for those who rely on rental housing, do you notice if there's a particular—is this largely a Toronto/GTA issue? Are the challenges felt somewhat equally across most urban centres across the province?

**Mr. Mike Chopowick:** Well, generally most of the policies are province-wide. We've also made specific recommendations to the Ministry of Housing on the planning process, and some of that is primarily an impact in major urban centres like Toronto, Ottawa and the GTA, where the planning process is often a barrier to new housing investment. We all agree that we need more affordable housing opportunities in the province, but we find we run up against barriers in the municipal planning process. So we've made separate recommendations on that.

**Mr. Steven Del Duca:** Okay, great.

**The Chair (Mr. Kevin Daniel Flynn):** Go ahead, Bas or Donna.

**Mr. Bas Balkissoon:** I was just thinking about what you said about assessments. I just want to get a true answer out of you, because you're proposing that rental housing, be it whatever form, be the same assessment as single-family homes or townhouses or whatever.

**Mr. Mike Chopowick:** That's correct.

**Mr. Bas Balkissoon:** But currently today the rental housing stock is not assessed on value; it's assessed on return on investment. So would you agree that if you're going to shift it to be the same as the other, you will also

have to shift the assessment itself, that it's the true market value of the unit?

**Mr. Mike Chopowick:** No. I mean, rental properties are assessed on a revenue methodology. Frankly, that's a decision that MPAC has made. It doesn't have to be—

**Mr. Bas Balkissoon:** No, it's a policy of the government.

**Mr. Mike Chopowick:** Right. There are different assessment methodologies. Again, though, this recommendation was made by the Thom commission in the 1980s; it was made by the royal commission on fair taxation in the 1990s.

**Mr. Bas Balkissoon:** And maybe that's why it was ignored.

**Mr. Mike Chopowick:** It was made by the Beaubien commission in 2002—

**Mr. Bas Balkissoon:** But you can't put apples and oranges in the same bin. That's why I asked you the question. Are you prepared to support the other one?

**Mr. Mike Chopowick:** No, absolutely not. We think the assessment methodology is fine. The broken part of the system are the tax rates, and every—

**Mr. Bas Balkissoon:** But the tax rate is different because the methodology is different.

**Mr. Mike Chopowick:** No, actually, we don't agree with that because, again, we look at Montreal, Edmonton, Calgary, Vancouver and Winnipeg. They use the same assessment methodologies, yet the property tax rates are one to one for every residential property, whether it's owner-occupied or rental. We think Ontario is no different; it should catch up to the rest of Canada.

**Mr. Bas Balkissoon:** I'll check that out, because I disagree with you, but anyways.

**The Chair (Mr. Kevin Daniel Flynn):** Okay, we'll just agree to disagree. Donna?

**Mrs. Donna H. Cansfield:** I have two questions. It has long been an understanding that the taxation on a square-footage basis is higher in a rental unit than in a housing unit. So have you looked at that from that perspective? This often came about before when we had taxation at the municipal level for school boards, for example. It would come consistently to us. So that's one.

The other is that I'm really interested in this issue around the municipal licensing. You indicate that there's already an existing range of municipal and provincial regulations, and yet on top of that there appears to be another—I'll use the words "red tape." Primarily, presumably it is used for inspection purposes. Is it to cover the cost of all of that? So is it cost-neutral, or are the municipalities making money?

**Mr. Mike Chopowick:** Thank you, Ms. Cansfield, for those questions. The first question: You're very right. Back on the property tax issue, as further evidence, the education property tax rate is one to one, even though there are different methodologies for assessments. So both apartment buildings and homes are taxed at the same education property tax rate, which means it follows that the municipal tax rate could also be the same.

On the licensing issue, there are probably about a half dozen municipalities that have currently adopted licensing for rental housing. Generally, the licensing fees are limited to be cost-neutral to the municipality, so it's not a revenue tool for cities that adopt this. They have to hire staff for inspections and enforcement. It's a bit of a duplication because we already have enforcement under the Residential Tenancies Act. We have a Ministry of Municipal Affairs enforcement and investigations unit. We have the Landlord and Tenant Board. We have the building code, the fire code. Licensing, where it has been adopted, is simply another layer of what we call red tape, of what is, in fact, just regulation on the rental housing sector.

Again, the fees that I mentioned, \$200 to \$400 a unit, we have no choice but to pass those down to the residents who live in those units, and it's something we'd rather not do, but we have no choice. So it's impacting affordability.

**Mrs. Donna H. Cansfield:** It seems to be high. Do you think it's a high amount?

**Mr. Mike Chopowick:** Well, you know, I'd like to see what their total costs are for these programs. It is a high amount considering this is something that didn't exist a few years ago.

A good case is London. They introduced licensing at \$25 a unit, and then in one decision last year increased it to \$230 a unit. Increases like that are unsustainable for us.

1330

**Mrs. Donna H. Cansfield:** Interesting. I guess my other question, then, is the whole issue around new housing. The average price of a new house is very significant, and there appear to be more people renting than ever before, in terms of the rental field. Do you see this in terms of the future? So how does that bear—

**Mr. Mike Chopowick:** The two key trends under way are the fact that, yes, for first-time homebuyers, it's becoming cost-prohibitive to buy a house in places like Toronto and major centres. So that's causing a significant surge in demand for rental housing. We are predicting that you are going to see vacancy rates start to drop, because it's very unlikely, quite frankly, that we can construct enough new rental units to keep up with that demand, unless we see changes in some policies that I listed here.

As well, immigration to Ontario—we know, from Statistics Canada, that 75% of new Canadians rent for their first two years, so that's also a key demographic for rental demand.

We'd like to meet this demand. And, again, as I mentioned, we're investing already: \$4.5 billion a year in new housing infrastructure, which is double what the province is spending on things like new hospitals or new schools and universities or highways and roads. So it's a significant amount of money, but for us to sustain that investment in new housing, we're going to need some assistance on the public policy side.

**Mrs. Donna H. Cansfield:** So has there been any discussion, then, with your organization with the providers

around the whole concept of affordability within the market rental units? I mean, this is happening in Ottawa. I'll give that as an example.

**Mr. Mike Chopowick:** Yes.

**Mrs. Donna H. Cansfield:** And is there an opportunity to do more of that which might, in fact, help us with the other crisis of affordable housing?

**Mr. Mike Chopowick:** Yes. The affordability issue is important, and, again, the gap between the cost of owning a home and renting a home is now at its widest it has been in decades. That's why we're seeing a big demand in rental housing: simply because, for many households, it's starting to look like a more affordable option as opposed to buying a condominium.

Again, what we've stressed is that for low-income households, the problem isn't the price of rent, because our rents are reflected by things like the costs of maintenance and repairs and energy and insurance rates and mortgage costs.

We strongly support some investment in a housing benefit program that provides monthly assistance of between \$100 and \$200 a month to low-income renters. It's not just us saying that, but the Daily Bread Food Bank has made that recommendation. The Ontario Non-Profit Housing Association has made that recommendation—

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Mike. I'm going to have to cut you off.

**Mrs. Donna H. Cansfield:** Thank you very much.

**The Chair (Mr. Kevin Daniel Flynn):** Point well made.

**Mr. Mike Chopowick:** Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you.

#### TRILLIUM AUTOMOBILE DEALERS ASSOCIATION

**The Chair (Mr. Kevin Daniel Flynn):** Okay. Our next delegation this afternoon is from the Trillium Automobile Dealers Association. Frank, if you'd like to come forward. Make yourself comfortable; 15 minutes, like everybody else. Any time left over will go to the Conservative Party for questions.

**Mr. Frank Notte:** Great. Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** The floor is all yours.

**Mr. Frank Notte:** Thank you, Chair, and members of the committee, for having me here today. My name is Frank Notte, and I'm the director of government relations for the Trillium Automobile Dealers Association.

Since 1908, our association has been the voice of Ontario's new car dealers. Our 1,000 dealers make up about one third of all new car dealers in Canada and sell approximately 40% of all new cars in the country. Our member dealers don't just sell vehicles, they employ 47,000 women and men in well-paying jobs and generate \$27 billion per year in economic activity.

Trillium's written submission is currently being produced. Upon completion, I will forward a copy to each member of the committee.

Today I'd like to share with you four ideas we think should be in budget 2014. But before I get into the details, I'd like to highlight the main theme of our recommendations: They will not cost the government any money. Rather, we are asking for common sense policy changes to make the marketplace more fair and to promote economic growth. Our recommendations will increase consumer protection, cut red tape, stop a looming business tax on those who employ skilled tradespeople and not increase taxes on the family car.

Our first recommendation is to increase consumer protection by regulating advertising placed by automobile manufacturers. In 2010, the Motor Vehicle Dealers Act was updated and created the strongest vehicle buying rights in Canada. One major reform included changes to advertising regulations, including better disclosure requirements and all-in pricing.

All-in pricing means that dealers must include the freight charge, dealer preparation charge and other miscellaneous add-on fees in their advertising, so the only additional monies the consumer should expect to pay is the HST. All-in pricing better informs the consumer and allows them to compare vehicle prices more easily across dealers and brands.

However, the Ontario government chose to exempt advertisements placed by manufacturers from the Motor Vehicle Dealers Act. In other words, advertising placed by manufacturers is not subject to any advertising regulations. On the one hand, the government proudly celebrates the benefits of all-in pricing and other advertising regulations that increase consumer protection, but on the other hand, it decided to compromise consumer protection by creating one set of rules for dealers and no rules for manufacturers. These two sets of rules create confusion in the marketplace. Manufacturers are able to advertise a lower price, since they are not required to include all charges and fees. In other words, they can, and some have, advertise a price that really isn't the selling price, and that's not right.

There is widespread support from industry stakeholders and consumer groups who support some form of regulation, including the Ontario Motor Vehicle Industry Council, or OMVIC, Ontario's regulator of automobile dealers and salespeople; the Used Car Dealers Association of Ontario; and at least three consumer groups, including the Consumers Council of Canada.

Our second recommendation is to cut red tape in Ontario's Drive Clean Program. Currently, a dealer must complete an emissions test prior to selling a used vehicle. This requirement is outdated, unnecessary and a financial burden for dealers. This extra step does nothing to reduce pollution, especially if the automobile is still under a manufacturer's warranty and/or falls under Drive Clean's own seven-year exemption for newer models. It only adds frustration to both consumers and dealers, wasting time and money.

Here's a real-life example: A dealer owns a 2013 model demo and a consumer wishes to purchase it. This demo is six months old and has been driven only 5,000

kilometres. The vehicle is still covered under the manufacturer's warranty and, because of its age, would otherwise not require its first emissions test until the year 2020. However, since the vehicle was registered to the dealer previously, the vehicle is deemed to be used; therefore, an emissions test is required before selling the vehicle and transferring ownership.

Even used vehicles that are three or four years of age must go through an emissions test before a dealer can sell them. Drive Clean's own rules say the vehicle should receive its first test at seven years of age. The question is, why are dealers wasting time and money to test a vehicle that even Drive Clean expects to pass with flying colours? This piece of red tape highlights how inflexible and outdated Drive Clean has become.

Further evidence of Drive Clean's ineffectiveness was highlighted in 2012 by Ontario's Auditor General. He pointed out that vehicle emissions have declined significantly, to the point that they're no longer among the major domestic contributors to smog in Ontario. He also reported that 75% of the reduction in vehicle emissions was a result of better manufacturing standards and cleaner fuel and not Drive Clean. That is why our association has also taken a position to eliminate the Drive Clean program, as has been done in British Columbia and a number of US states.

Our third recommendation is to include Bill 118, the No New Tax for Businesses Act, as part of the budget. If passed, Bill 118 would repeal section 7 of the Ontario College of Trades and Apprenticeship Act, which gives the college the authority to implement a business tax on those who employ skilled tradespeople. We were pleased to hear the Minister of Training, Colleges and Universities say the government has no plans to proclaim that section. However, the reality is that section 7 exists and could be invoked at any time. To provide absolute certainty to businesses, budget 2014 should include Bill 118 and stop this looming business tax once and for all.

Lastly, we recommend that budget 2014 not include massive new taxes on the family car and drivers to build public transit. Our association is not against public transit. In fact, we believe transit is one solution to break the GTA's famous traffic problem. However, where we differ from most is how to pay for it. We don't believe massive new taxes on drivers and automobiles, as suggested by Metrolinx and the transit investment panel, are the way to go. Better spending the existing \$136-billion-and-growing budget is a much more prudent approach. Up until now, none of the Big Move's \$16 billion worth of projects required any so-called revenue tools. Our written submission will include ideas on how to pay for public transit without any tax increases.

Budget 2013 said, "Any new revenue tool should not unfairly impact one type of commute or community over another." That runs contrary to the Metrolinx and transit investment panel recommendations.

Decision-makers should understand tax increases will affect both transit users and drivers. Oftentimes they are the same individuals. Approximately 67% of GO rail

users own two vehicles and 31% own one vehicle, a combined total of 98% of public transit users who also require automobiles. Furthermore, 79% of GO users arrive at GO stations by automobile. In other words, hiking taxes on drivers and vehicles will increase the cost of using public transit. There has to be a better way.

1340

What has been missing from this debate is an all-of-the-above strategy to address investments in roads, bridges and public transit. We don't believe that investing in one mode of transportation has to come at the expense of the other. That is divisive and short-sighted.

I hope the committee sees merit in these practical, no-cost solutions. These recommendations do not require any provincial funding and will have a positive impact on consumer protection and the automotive retail sector.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much, Frank. You've left about six minutes for questions. Who's going to be first? Rod?

**Mr. Rod Jackson:** Thanks, Frank, for coming in and giving a very interesting presentation.

Can you give me an idea of what obstacles currently exist that prevent dealers from growing their businesses?

**Mr. Frank Notte:** The first one is the pending business tax from the College of Trades. We know the minister has said no—but we don't think paying a new tax will automatically promote the next generation of skilled tradespeople to work in a dealership. It has become a very problematic issue for us because we don't know what's going on. Business values certainty, and right now, we don't know what position that's going to. We think putting Bill 118 or a similar section in the bill will give business absolute certainty towards that.

**Mr. Rod Jackson:** Can you give me an idea of how the College of Trades and its increased fees for tradespeople are affecting the way dealers do business?

**Mr. Frank Notte:** First and foremost, it's increasing the cost of doing business. It's also tough to attract the next generation of auto technicians to the industry.

**Mr. Rod Jackson:** Is it hard to find technicians as it is?

**Mr. Frank Notte:** Very much so. In the past, our association has promoted programs at Georgian College or Centennial College to try to attract the next generation. We're already hearing from dealers that they can't find the next generation. The College of Trades is just another barrier towards attracting the next generation.

**Mr. Rod Jackson:** On Drive Clean: I was just listening to the radio the other day and someone was saying how much they hated it. I think it's universally disliked. They were saying that it's just a scam for dealers to make more money. Comments?

**Mr. Frank Notte:** It's the complete opposite. In fact, dealers have to invest \$10,000 to \$20,000 in buying the equipment, depending on what kind of testing equipment they want. They have to run enough Drive Clean tests to cover that cost. The reality is that it's actually a cost of doing business for dealers, oftentimes because of the massive amount of investment needed to just become a Drive Clean facility.

**Mr. Rod Jackson:** So they can't use any of that capital investment for any other business that they would—

**Mr. Frank Notte:** No. Or hiring new, skilled trades-people.

**Mr. Rod Jackson:** Yes, exactly.

**Mr. Frank Notte:** I do want to put on the record that dealers and other Drive Clean facilities charge \$35 for the Drive Clean tests, and not all of that goes to the dealer. In fact, I think \$11.67 heads back to the province. So I want to put on the record that it's not a money-maker for dealers.

**Mr. Rod Jackson:** I think since Drive Clean was instituted—it was originally put in by our party, actually, to help clean up the air and help get dirty cars off the road and to incent manufacturers to build cleaner cars. Would you say that goal has been achieved?

**Mr. Frank Notte:** Absolutely. Drive Clean, we'll admit, had its time and place. I think it helped educate the public, in terms of, keeping a car better-tuned and looking after it will emit less pollution and that kind of thing. I think everything has to come to an end. It's just one more example of a program that has passed its expiry date.

**Mr. Rod Jackson:** Good.

**Mr. Victor Fedeli:** How much time, Chair?

**The Chair (Mr. Kevin Daniel Flynn):** You've got about two and a half minutes.

**Mr. Victor Fedeli:** Great. Thank you for a very informative presentation, Frank.

I want to talk about gasoline prices, and I'm looking for the tipping point that will happen when people stop buying automobiles. This 10-cents-a-litre hike in the price of gas: What are your thoughts on that for the consumer?

**Mr. Frank Notte:** Absolutely, we're against it. We have a chart that will be included in our written submission that shows how much government revenue is coming from the HST on gasoline and also the provincial 14.7-cents-per-litre road tax on gasoline.

In some communities—my hometown is Port Colborne, Ontario—if you want to take public transit, it doesn't exist, so you have to buy a car. I think outside of major urban centres, that's the only way to get around. Public transit works for some people and it doesn't for others, just like owning a car works for some people and not others.

I don't think increasing the cost of gasoline is actually going to help the family budget. I think sometimes it's in such plain sight that you forget how important the car is: getting to work; students getting to school, university; picking up the groceries; driving the kids to soccer practice. I don't think increasing the cost of the family car is really going to help families.

**Mr. Victor Fedeli:** Obviously, you do believe that the infrastructure work needs to be done.

**Mr. Frank Notte:** Yes.

**Mr. Victor Fedeli:** Is it your thought, then, that it should be paid for from existing revenue that the government already achieves? Is that your philosophy?

**Mr. Frank Notte:** Absolutely. Dealers are business people, and whenever they need to cover a new cost or something like that, they don't automatically raise the cost of vehicles and say, "How much more money can we get?" They constantly look at better ways of doing things.

Our letter to Anne Golden and the transit investment panel showed where that money could come from. Quickly, off the top of my head, the Drummond report highlighted \$1 billion that the province is missing out on every year, right? I think we need to look internally first before you go back to the public and say, "We want to increase taxes."

**Mr. Victor Fedeli:** The other part of the government's report on transit was to raise corporate taxes, business taxes—your taxes, your members' taxes—0.5%, to 12%. Do you have any thoughts on that?

**Mr. Frank Notte:** I think the first reaction of government should be, "Can we build stuff now without asking people to pay for it at the end of the day?"

When a small business person like a dealer is sitting in their showroom and the first thing they hear from their government is, "How can we get more money from you?" I don't think that sits very well, because I think in their life, every day, they're continually looking to operate more efficiently and better spend the money they already have.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Frank. Thank you very much for coming today.

**Mr. Frank Notte:** Thank you.

#### ONTARIO NURSES' ASSOCIATION

**The Chair (Mr. Kevin Daniel Flynn):** Our next presentation this afternoon is from the ONA, the Ontario Nurses' Association. Vicki, would you come forward. Have a seat and make yourself comfortable. If you'd introduce your colleague for Hansard, that would be great. Like everybody else, 15 minutes. If any time is left over, the questioning will come from the NDP this time.

**Ms. Vicki McKenna:** Okay, great. Thank you. Good afternoon. My name is Vicki McKenna. I'm a registered nurse and the first vice-president of the Ontario Nurses' Association. Joining me today, on my left, is Lawrence Walter. He's ONA's government relations officer.

My background in nursing includes many years as a front-line registered nurse at London Health Sciences Centre, working with both the adult and pediatric populations and their families. As ONA's first vice-president, part of my role is the responsibilities for political action and professional practice issues.

ONA is Canada's largest nursing union. We represent over 60,000 registered nurses and allied health professionals in the province of Ontario, including more than 14,000 nursing student affiliates. We provide care in your hospitals, long-term-care facilities, public health units, the community and industry.

The standing committee heard earlier this week from ONA representatives who have detailed the significant

challenges to the delivery of safe care for residents in our long-term-care facilities and for hospital patients in the Niagara region. You've heard that hospitals have responded to budget restraints with cuts to RN positions and the implementation of staffing models that have replaced RN care with less-qualified staff.

We know this underfunding of hospitals hurts patient care. This afternoon, I want to walk you through some of the evidence and provide you with some stories from across Ontario that demonstrate the dire need for more registered nurses in our hospitals to meet the increased care needs of our complex and unstable patients.

First, let me lay out the basic facts on the extent of RN understaffing in Ontario.

The ratio of RNs to 1,000 Ontarians is the second-lowest in Canada. Ontario has seven RNs per 1,000 population, compared to, on average, the 8.3 RNs per 1,000 population in the rest of the country.

To address this untenable gap in RN care, we're calling on the government for a funded plan of action to hire more than 17,500 RNs in Ontario, just to stabilize care to Ontarians, and that will bring us on par with the rest of the country.

### 1350

We're calling for an end to underfunding hospitals. The 0% for hospital base budgets has to cease. Multiple years of funding for hospitals below the cost of inflation and population growth are creating high-risk situations for patient care. Ontarians have lost millions of hours of care from cuts to RNs as a result of a two-year funding freeze for hospital base budgets.

We know that higher levels of RN staffing in hospitals are essential to care for patients with complex and unpredictable care needs. Studies show that adding one patient to a nurse's average caseload in acute-care hospitals is associated with a 7% increase in complication rates and patient mortality.

We also know that RN staffing is associated with a range of better patient outcomes, from reduced infections to other complications that lead to increased lengths of stays and increased costs to the health care system. These situations put patients at risk and also increase costs to the province of Ontario.

More than 1.5 million hours of RN care last year alone were cut from Ontario's health care system, completely ignoring the evidence that links RN care to improved health care outcomes for our patients. Over-census on hospital units are now being assessed for stretcher capacity, which means hallway nursing.

Surgeries are being cancelled. Emergency patients are being redirected as nurses are given layoff notices. Regional referrals are being restricted, except for patients who are critically ill, in so-called "life or limb" situations. The safety of our patients is put at risk under these escalation strategies to deal with overcapacity in our busy hospitals. In rural hospitals, we're experiencing cyclical layoffs as a result of closing operating rooms for extended periods of time as budget quotas are exhausted.

Some hospitals are putting in place quotas on disposable equipment that has proven to be safer for patients, which means that when a surgeon uses up the quota, the remaining patients get less-safe alternatives, increasing risk to them and, as we know, challenging the best-practice research. Some procedures have been banned due to equipment expenses, and the only alternative is a more invasive or intrusive procedure, again increasing lengths of stay for patients and increasing costs.

The explanation that nurses receive is that these measures are necessary to be competitive with other hospitals. We ask questions such as: When did our hospitals decide that it was necessary to put patients at risk to be competitive? Why are we creating a system based on cost, not need? Why are we risking patient safety to save money? Why do we close beds and lay off nurses, when in reality the beds don't close, but the staffing is then unstable and unsafe to patients? Why are hospitals replacing RNs with unregulated staffing models?

These are some of the facts that are on the ground in Ontario's hospitals today. The resulting impacts on patient care are entirely consistent with the research literature. For example, the cost of increasing nurse staffing in hospitals has been shown to be associated with cost savings achieved by reducing adverse outcomes and the length of hospital stays and avoiding patient death. Improved RN staffing has been shown to prevent a range of complications, mitigating complications through early intervention, and leads to more rapid patient recovery, which creates savings—let alone saving lives.

Ontarians want the government to make health care funding a priority, to protect the health care funding envelope from more cuts. Freezing hospital base budgets below the cost of inflation and population growth is cutting funding for patient care. Ontarians understand that reducing funding and reducing the number of nurses really hurts the quality of health care in our province.

This is why ONA is calling on the government to end the underfunding of our hospitals. It's why we're calling on the government to fund a multi-year plan of action to hire and maintain RN positions in hospitals, to make significant progress in reducing the RN-to-population ratio gap of more than 17,500 RNs between Ontario and the rest of Canada.

The current reality is that the nurse-to-patient ratio in Ontario is unsafe, unmanageable and dangerous for patients. Patients in acute care have complex medical issues with multiple health conditions that require a broad scope of practice, skills and experience. This is what RNs bring to patient care. Hospitals are experimenting with alternative staffing due to extreme budget constraints, but it's clear from the evidence that alternative staffing models cannot replicate the level, nature and complexity of the care that's provided by RNs.

Immediate changes to the funding model for hospitals are essential to properly staff hospitals to meet the care needs of increasingly acute patients. Our primary recommendation for government is to invest in our hospitals and in RN care.

We're also calling for the government to enforce a strong voice for front-line nurses related to the proposals that impact patient care in our hospitals. The government must direct hospitals to comply with regulation 965 under the Public Hospitals Act, specifying that every hospital must put in place a functioning fiscal advisory committee.

In addition, we're calling on the government to fund a plan of action to consolidate the culture of safety in our health care sector by way of funding for healthy work environments to reduce the costs to the health care system of illness and injury of nurses and reduce the likelihood of patient readmission. A plan of action for health and safety in the health care sector must include provincial standards for the prevention of workplace violence; for risk assessments; health and safety indicators in accountability agreements would be helpful; enforcement of existing health and safety laws; and training and education courses.

Finally, we're calling on the government to fund a regulated minimum staffing standard in long-term-care homes to meet the increasing resident care needs and to build nurse staffing capacity in the community sector to address the complexity of the care that's now being delivered there.

Ontario must and can do better, and we hope that you'll review our submission. I would be happy to take any questions. Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Very good. Thank you, Vicki. Michael? Jonah? Just over four minutes.

**Mr. Jonah Schein:** Thank you for the presentation. You're pointing to a real need for investment. Do you know how much it will cost for 17,500 new registered nurses, long-term?

**Ms. Vicki McKenna:** It's a really good question. We know that studies show that the savings generated from RN care lead to fewer patient complications, readmissions and costs. We're asking to look at a multi-year plan and we're wanting Ontario to catch up with the rest of the country.

The dollars and cents of it all, of course, is what is of most interest with regard to the budget. Looking at the front-end cost and the back-end cost would be the end result of that. We know some front-end costs—ball-parking—certainly. Lawrence, I don't know if you have anything you want to add to that?

**Mr. Lawrence Walter:** It really would be a multi-year plan. We know that the start rate for a new RN is \$30 an hour, so you can calculate the cost based on 17,500.

**Mr. Jonah Schein:** And the timing to make up that money in saved health care costs—do you have any sense about how quickly you see those returns?

**Mr. Lawrence Walter:** Well, that depends on the multi-year plan that the government would adopt. In our submission, you'll see there are some figures from studies. It's about \$10,000 for an RN that savings would be generated.

**Mr. Jonah Schein:** Do you have comments—we heard from the Ontario Health Coalition earlier today about new privatized clinics and the cost that would have. Do you have any thoughts about that plan that the government has?

**Ms. Vicki McKenna:** I didn't hear the submission on the privatization piece, but what we know is the privatization of health care in our province, as far as a working environment for nurses, is not attractive to them. There tend to be lower wage rates and less job stability. We don't believe that would be certainly a cause for nurses to want to move into those clinics to work, so that's a concern to us.

Just so you know, we only graduate about 4,000 registered nurses in a year. We're in a deficit situation right now, and we're not offering full-time work in the province of Ontario on a very regular basis. We're not attracting nurses here either, so we have, we believe, a real problem with regard to retention and employing new nurses as they graduate. We can't afford not to offer employment to those nurses; we will lose them and we'll fall further behind the rest of the country.

**Mr. Michael Prue:** Is there still time?

**The Chair (Mr. Kevin Daniel Flynn):** You've got about a minute and a half, Michael.

**Mr. Michael Prue:** Okay. I want to go back to the 17,500 nurses. I want to figure out exactly what you're saying and what impact it's going to have. Are you asking us to outright hire 17,500 nurses and leave the registered nurses and PSWs in place? Or are you saying that when the nurses arrive, some of those registered practical nurses and PSWs would be gone? I'm not sure I understand exactly what you're saying, and I've heard this now three times.

1400

**Ms. Vicki McKenna:** In the province of Ontario, we're talking primarily in our hospitals, where we're seeing the biggest impact. There's room for everybody in the system right now because we need health care workers everywhere. But in the hospital, what we believe is we've got care models there that do not provide for the patient care needs that are in those units, and so we need to open up positions there for registered nurses and shuffle some of the other care providers to areas where they can be most effective, and where their scope and clinical practice should be.

We know that by having a higher percentage of registered nurses in the hospitals, we'll provide for better patient care and better patient outcomes. Patients will do better in hospitals where they have registered nurses at their bedside. The research is clear, and it's been done over and over again that shows that to be true.

Every institution will be different, depending upon the patient populations that they have. Some of the care models with the mixed model of care providers are absolutely appropriate and work very well and patients do very well; but in many of them, they don't. Some of these—we would call "experiments"—have not worked out well.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Vicki. Thank you, Lawrence, for coming today.

**Ms. Vicki McKenna:** Thanks.

**Mr. Michael Prue:** Thank you.

### CANADIAN AUTOMOBILE ASSOCIATION

**The Chair (Mr. Kevin Daniel Flynn):** Our next presentation this afternoon is from the Canadian Automobile Association, CAA. Elliott, if you'd like to come forward? Welcome. Make yourself comfortable. You have 15 minutes, like everybody else. Use that time as you see fit. Any questioning, if there is any time for that, will come from the government side this time.

**Mr. Elliott Silverstein:** Thank you very much. Mr. Chair and members of the standing committee on finance, my name is Elliott Silverstein, and I'm manager of government relations at CAA South Central Ontario. I appreciate the opportunity to speak before you today. I'll try to keep my comments brief, as there are a lot of topics to discuss that affect CAA.

For those who aren't aware, CAA is a national, not-for-profit auto club and has been advocating for members since 1903. Today we serve, nationally, 5.8 million members across nine clubs. CAA South Central Ontario is the largest club in the federation, serving 1.9 million members as far west as Windsor, north to Sault Ste. Marie and east to Kingston.

Advocacy is the origin of CAA's existence, from lobbying for the construction of the Trans-Canada Highway, the installation of road signs across the province, our involvement in the launch of the RIDE program, introducing seat belts in vehicles and advocating against distracted driving, all of which are designed to make roads safer. Today's CAA continues to advocate on behalf of its members and the motoring public at both the provincial and municipal levels of government.

Core programs that we focus on include the School Safety Patrol, Watch for Bikes and Worst Roads. Through these initiatives, we partner with local communities and governments to help educate the public on various transportation initiatives.

Our members are not just motorists. They are cyclists, and they also use public transportation systems, and they understand the importance of an integrated transportation system, regardless of the mode that one chooses.

Today, we're going to focus on a couple of key areas. They include: distracted driving, transit infrastructure and the need for dedicated funding, insurance and the towing industry, seniors and intelligent transportation systems.

Last October, Mr. Balkissoon over here introduced Bill 116 and it received second reading with unanimous consent. The bill would see a penalty of no less than \$300 and three demerit points for a distracted driving infraction. CAA has long advocated for distracted driving measures. Since the program took effect in 2010, many drivers have adjusted their habits, but not all have.

We have a successful campaign called Missing that highlights that drivers who text are 23 times more likely to be involved in a collision.

Curbing distracted driving, a problem on our roads daily across the province and all throughout the day, will help ensure that our roads are safer, prevent collisions and ultimately reduce insurance claims as well. This is an initiative that our members are overwhelmingly supportive of. Some 3,000 members participated in a survey last year, where 80% said they would support demerit points for distracted driving infractions, and 81% said they would support increased fines for infractions. Also last year, our members reaffirmed that distracted driving is one of the biggest road safety concerns in the province, second only to drinking and driving.

Our message is simple: Ontarians deserve to have safe roads, and making the regulatory changes needed to enhance these fines will go a long way to curb the bad habits we witness daily and the ramifications that come from them.

Recently, a report was issued by the Transit Investment Strategy Advisory Panel around GTA transit. The recommendations released include a number of items that CAA and its members have been calling for, for several years. They include a separate and specific fund dedicated to infrastructure, where new taxes will be publicly accounted for; that it's more than motorists that are paying for the needed infrastructure, and through the addition of a corporate tax, we would see this happen; and that a portion of HST collected on gas and diesel fuel sales would go into that dedicated fund I mentioned.

Back in 2010-11, CAA had over 10,000 citizens sign our petition, and nearly 200 municipalities passed resolutions in support of our ask when the HST was introduced back in 2010. A dedicated fund would not only ensure that the funds collected would go to the projects that have been identified, but it would also allow for greater public confidence, as the money is earmarked and not going into straight government revenues.

Auto insurance is a subject of much debate, and CAA supports better rates for good drivers. But today I want to talk about the towing industry and how reforms there could also relate to auto insurance, as efforts are under way to look at the regulation of the towing industry. As part of the final report of the Financial Services Commission's automobile anti-fraud task force back in 2012, one of the recommendations the task force made was provincial regulation of towing.

When examining the industry, there is considerable opportunity to enhance and further the industry in a number of ways, including establishing standards and safety criteria to protect tow truck operators and motorists. CAA has been at the forefront of safety training and safety standards within the industry, and we believe there's an opportunity to raise the bar and improve the profile of the industry. In addition, there is significant opportunity to provide consumer protection in an area where it is desperately needed. Curbing issues like fraud will go a long way to provide additional consumer confidence and could have a residual effect on insurance claims as well.

Currently, Ontario's towing industry is regulated municipally through bylaws. Inconsistencies among municipi-

palities have led to a patchwork of regulation across the province with varying tow truck rates, processes, service and safety standards. In municipalities without a bylaw, motorists who are in need of towing services may be left with little protection or recourse against tow operators.

Back in 2012, we presented to the Financial Services Commission, and we support the recommendation for the regulation of the industry. As we discuss auto insurance reforms and reaching a 15% rate reduction over two years, looking at the towing industry is an important part of this discussion. Establishing regulations and/or legislation that finds the right balance between protecting consumers and allowing businesses to operate successfully is critical in the year ahead. CAA has been actively working with both towing and industry-related stakeholders to identify best practices that encompass numerous issues within the industry. We believe it is time for proper reforms to improve the industry's reputation and enhance consumer protection.

In terms of seniors, the number of Ontarians over the age of 65 by 2036 is estimated to be over four million. The implication of this demographic shift to road safety and mobility cannot be underestimated. Today's mature Canadians are increasingly active and community-engaged, making mobility and independence essential to preserving these qualities. Senior mobility is a complex and contentious issue that can be very emotional. Systems need to be in place to help mature drivers and their families make transitions if and when the need arises. For many drivers, it can be an issue of freedom and independence, and there need to be programs and infrastructure in place to help these drivers who may need to have their licence revoked. In addition, there are different challenges for rural residents compared with urban residents. These need to be factored into the decisions as well.

Lastly, I just want to talk briefly about Intelligent Transportation Systems. It's a process that works to improve the road network for all users. However, it faces a number of challenges for development and implementation due to the financial and political barriers and the rapidly changing technologies. For example, features like adaptive traffic signals, smart work zones, ramp metering and traveller information help decrease congestion by effectively managing traffic flow and providing commuters and businesses with the information they need to make smart travel decisions. Implementation of ITS measures can help mitigate congestion and demonstrate to taxpayers that their money is providing value, and potentially at a quicker rate than the introduction, study and procurement of other road and transit infrastructure projects. There is a wide breadth of issues in academia right now in our own backyard when it comes to ITS. We need to embark on some test pilots with academics in an attempt to determine various processes that could help find suitable long-term solutions.

In short, Ontario has been recognized for a long time as having some of the safest roads in North America. Distracted driving has become an issue of significant

proportion across the province, and there's a need for additional efforts to curb this trend.

#### 1410

Traffic congestion has reached critical proportions. It is vital that we improve our transportation infrastructure to meet our escalating demand. In addition, the daily commute is stressful. Gridlock is hurting, for many, their health, family well-being and productivity. Improved mobility and decreased congestion benefits us all.

Lastly, addressing the challenges in towing will not only help the industry but could have residual benefits to address the plans around auto insurance reforms and also, in part, help Ontario's road networks. Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Wonderful, Elliott. Thank you very much. Questions? Bas Balkissoon, and you've got about six minutes left.

**Mr. Bas Balkissoon:** Okay, thank you. I'll be quick.

Thank you, Elliott, for your presentation. On the towing industry, I just want to give you a comment. I fully support you that it should be provincially regulated.

Many years ago, I sat on the municipal licensing committee at the city of Toronto. We attempted to bring some new rules into place. I can tell you that I faced a lot of bullying, if I could call it that, and unusual tactics by certain members of the industry—not all. When I got here, my colleague David Zimmer attempted to bring it into the provincial realm, and I think he had similar roadblocks. So many people have tried to do what you're suggesting. I think there has to be another drive, and I'd like to hear your comment on that.

The other problem is, if the province takes it over, most municipalities will fight that issue, because it's a revenue stream for them. It shouldn't be a revenue stream, because the fees they charge should be to recover the enforcement, but that's not the case.

I just want to hear your comment.

**Mr. Elliott Silverstein:** Absolutely, and thank you for the question. When it comes to the towing industry, just looking at it in terms of what can happen this time, I think that there is now a shift. I think they were talking about auto insurance and looking at ways to address issues of fraud. It has brought a lot challenges because there are a lot of tow truck drivers who go out every day and do excellent work, and there are some who actually put a blemish on the industry. We recognize that it's not everybody, but it's some.

Having said that, providing safety standards is also really important. I think that as we look at where the industry is and the need for the industry to grow and develop in generations to come, it's time to look at this, because it's very much an ad hoc process across municipalities.

When we talk about the impact on municipalities, they could still potentially issue business licences that they need to operate in those particular areas, but the actual enforcement of the industry could be done through a provincial standard so that they have to be registered and receive a type of licence at the provincial level. So you don't necessarily shift it from municipal to provincial but

find a way to transition a lot of the pieces that are required for Ontario driving to the province, and then still keep an element for business operations in the municipalities.

I think that now, more than ever, you're probably seeing a lot of the various stakeholders coming to a consensus that it's time to do something. So I think we want to do as much as we can to make the industry viable, to make it safer for consumers and to ensure there are protections, so that if they're at the scene of an accident or a breakdown, they have ways to pay by electronic commerce and so forth—plus the safety standards, ensuring that people, when they are on the side of the road, where there's very little room to work with, are not putting themselves or the people who are broken down in any sort of peril.

**Mr. Bas Balkissoon:** Do you believe there should be a tribunal process where, when the current industry is demanding outrageous fees, an insurance company or a client can refuse to pay and can say, "Let's go to the tribunal"? Is that going to solve it?

**Mr. Elliott Silverstein:** I think that it's part of the discussion. I think, really, everything right now is subject for discussion.

I think having a tribunal or some sort of a body that would oversee this would help provide some consistency. Again, there are a lot of people who follow the bylaws and the rules set out by municipalities, but having that check and balance in place to give consumers protection, much like some other facets of the province where there are bodies to oversee these types of industries—it's important to do that, because it will help address questions and could cover some gaps, close ambiguities, and also give the industry and the consumers that piece of protection but also that resource to go to.

So I think that idea, that concept, is certainly viable and something that is worthy of consideration.

**Mr. Bas Balkissoon:** Okay, thank you. My colleague has some questions.

**Mrs. Donna H. Cansfield:** I just had this question. You indicated, I think, around the seniors that when the time comes when their licence has to be suspended, probably indefinitely, it's a difficult time because they lose their independence. But are you suggesting that it should be the responsibility of the government?

**Mr. Elliott Silverstein:** No. What I'm saying is that as the population of seniors increases, the challenges that are going to come out with the rising number of seniors and the potential that many vibrant seniors may no longer have a licence—it could cause challenges.

As we look at a broader strategy, it's an opportunity for the government to really look at these long-term plans, because we're not there yet, but we're getting there. Certainly it's things that we're observing and that we want to ensure are in place so that, by the time we do need to have those items in place, they are there and viable.

**Mrs. Donna H. Cansfield:** Because currently the law requires the physician to identify to the Ministry of

Transportation if they believe someone is not capable of driving. Then, of course, they blame the government anyway, and families rarely take on the responsibility, because that's a front-line kind of problem, and they don't want to be involved. But I guess I'm not sure exactly what you're suggesting in terms of the longer term and the role that the government should be playing in developing a strategy.

**Mr. Elliott Silverstein:** Well, I think the point you made about families playing a role as well is critical, because right now there's an opportunity for education, because it's a shared responsibility. Right now, because we're not at that point yet, I think the opportunity is for the government to work to have some strategies in place, to sit down and get the discussions moving, so that various stakeholders could provide various ideas or solutions and we have something that's robust—that, at the end of the day, the seniors have a chance to still be viable in their communities.

**Mrs. Donna H. Cansfield:** Okay. Thank you very much.

**Mr. Elliott Silverstein:** Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much for coming today, Elliott.

#### ONTARIO LONG TERM CARE ASSOCIATION

**The Chair (Mr. Kevin Daniel Flynn):** Our next presentation is from the Ontario Long Term Care Association. Candace, are you with us? If you'd like to come forward. Make yourself comfortable. You have 15 minutes, like everybody else; use that in any way you see fit. If there's any time left over, the Conservatives may have some questions for you.

**Ms. Candace Chartier:** Great. Thank you, Mr. Chair. Hello, everyone. My name is Candace Chartier, and I'm the chief executive officer for the Ontario Long Term Care Association. Along with me here today are two members of my board: Mrs. Christina McKey and Mr. John Scotland. We want to thank you very much for having us here this afternoon to present our recommendations for the 2014 Ontario budget.

I have been working on the front lines in long-term care for over 15 years. I am a registered nurse by background and have done almost everything a nurse can do, starting out my career in acute care at Ross Memorial Hospital, then moving on to the Victorian Order of Nurses doing house calls and also as an air ambulance nurse serving fly-in communities up north.

But long-term care is where I found my stride. What I love about long-term care is that our workplaces are the residents' homes. We are committed to high quality of care and high quality of life, and this afternoon I look forward to walking you through the presentation you have in front of you that's all about our recommendations for building capacity in long-term care to better deliver on Ontario's Health Action Plan. My comments roughly follow the slides, and then I look forward to taking your questions.

Ontario's long-term care providers are proud to have the trust of over 100,000 residents and their families annually. Residents today have highly complex needs that require specialized and intensive care. It is our job to advocate on their behalf for what we need to provide them with safe, quality care.

Ontario's health care system, and in particular long-term care, is facing rapid transformation. Our province's seniors are living at home longer. When the time comes to enter long-term care, residents are frailer, with more complex care needs than ever before. A couple of examples: 61% of our residents live with Alzheimer's or other dementias, 46% exhibit some level of aggressive behaviour and 93% have two or more chronic diseases. As well, dual diagnoses, such as dementia and a psychiatric diagnosis, are increasing at 11% per year.

Ontario's long-term-care homes are working hard to meet this challenge. Some homes are now delivering procedures traditionally delivered in hospital, like chemotherapy, IV therapy and peritoneal dialysis. We are safely implementing and assessing the new physiotherapy funding model, which is helping to control escalating health system costs.

Long-term care is also helping to alleviate the alternate-level-of-care challenge in hospitals. In 2012, over 7,000 Ontarians were discharged home from long-term care, including 2,000 through the convalescent care bed program.

OLTCA has five priorities that together build the sector's capacity to deliver on Ontario's Health Action Plan. Our recommendations are based on independent research and data, surveys of over 446 member homes and engagement with stakeholders across the health care sector, most notably residents and family councils.

OLTCA and our members are committed partners in the delivery of safe, high-quality and resident-centred long-term care now and for the future. Recognizing that health care providers are being asked to work smarter and more efficiently with smaller funding increases, as much as possible our recommendations include cost neutrality or a redistribution of funds.

1420

Our first priority is safe, high-quality care. Research demonstrates that the complex needs of today's residents are higher than homes were designed to provide, and will continue to rise in the future. Simply put, more resources are needed. Within Canada, the daily funding provided for long-term care ranks in the bottom among known provinces. Currently, long-term-care residents are unable to fully benefit from the clinical nursing skills required to meet their more acute medical needs because the act and its regulation place restrictions on nursing scope of practice and the ability to delegate. So even though a PSW in the community can administer medication in a home care setting, they can't do it in long-term care. Our recommendation is for a 3% funding increase across all envelopes and a regulatory change that would allow staff to work to their full scope of practice.

Our second priority is mental health and dementia. Currently, 46% of our residents have some level of ag-

gressive behaviour and 38% have a psychiatric or mood disorder. Residents with aggressive behaviours and mental health issues are our core population. More dedicated and specialized resources are required to build capacity and provide care for their needs, while maintaining safe homes for all. We believe that the Behavioural Supports Ontario project is a tremendous investment into long-term care that is working to build the capacity for this population. However, the implementation of this investment has varied across the LHINs. This investment could yield much better value if all models followed the best practice of a dedicated Behavioural Supports Ontario team in every home. We believe that if the investment was doubled and retooled according to best practice, then capacity would be established to address the needs of residents with aggressive behaviours.

There is a growing body of evidence that the care environment may be a strong contributing factor to aggressive behaviours, which brings us to priority number three: Rebuild Ontario's long-term-care homes. In 2009, the government made a commitment to Ontario seniors to ensure that the homes in which they receive long-term-care services are comfortable living environments and that they all have adequate and appropriate physical space that enables staff to provide the high-quality health care required by this very vulnerable and medically complex population. The long-term-care capital renewal strategy that was launched in 2009 set aside funding for 35,000 beds to be redeveloped within a decade. About 2,500 of these beds have been rebuilt to date, well below the target of 7,000 beds every phase. Dated construction, large centralized dining spaces and environments less conducive to infection control are all serious issues in these older homes. Older homes with wards that house four residents in one room create a high-risk environment for harm to residents, without many options to mitigate these risks. Our recommendations are to announce a viable program by the end of 2014 and to ensure that long-term care is a sustainable investment, through a continuation of the affordable annual accommodation increases.

Our fourth priority is to support small homes. Small long-term-care homes play a very important role in caring for Ontario's seniors by delivering the right care in the right place at the right time. Today, there are over 260 homes that have 96 or fewer beds. This represents 41% of the long-term-care homes in the province. Of these homes, 50% are located in small or rural communities. Changes being implemented in our sector have been numerous over the past four years, from the implementation of the new responsibilities and regulations under the act, the introduction of the LHIN accountability agreements, and the constantly increasing reporting and documentation requirements. The capacity of small homes to absorb this amount of change while maintaining safety and high-quality care is limited by the scale of administrative resources at hand. In small communities and rural areas, it is often difficult to get qualified care staff, including medical directors, registered nurses, registered

practical nurses and management staff. Small homes have higher staffing costs per resident across all departments. The requirement to have at least one registered nurse on duty 24 hours a day costs small homes, on average, \$35,000 more. One of the key recommendations of our expert panel's Why Not Now? report on innovation was the adoption of a "no home left behind" policy that will ensure performance is consistently high across providers. To be able to achieve this, a small homes strategy is required.

Our final priority is reducing the administrative burden. Ontario long-term-care homes are among the most heavily regulated sectors in the country. OLTCAs estimates that administrators and directors of care spend 30% to 35% of their work time on paperwork to meet the regulatory and reporting requirements.

OLTCAs and our members believe in the importance of accountability and transparency. In fact, we believe that they're one of the key strengths of our sector. However, we believe that residents would benefit tremendously from a rationalization and streamlined approach to requirements because it would release much-needed staff time to care for residents and also better promote a culture of resident-centred care.

We are recommending that the government adopt its own Open for Business model to red tape reduction: for every new requirement, two get eliminated. Furthermore, each requirement should pass a good-for-resident-or-taxpayer test.

I want to leave you today with the message that a strengthened long-term-care sector benefits all Ontarians. We deliver innovative and cost-effective care that provides tremendous value for our health care system. One of the foundations of Ontario's Health Action Plan is to deliver the right care, in the right place, at the right time. Ontario's long-term-care homes can and want to do that and do more to care for residents and to contribute to the health action plan.

If ever there was a right time and a right place to advance the right care, it's now, and it's in long-term care. Let's make it right together with a strategic investment in long-term care today so that we're ready and able to care for the residents tomorrow. Thank you very much.

**The Chair (Mr. Kevin Daniel Flynn):** Very good. Thank you, Candace. You've left just over four minutes. Vic?

**Mr. Victor Fedeli:** Thank you very much, Chair. Candace, that was a wonderful presentation. I thank you very much. Now, you mentioned you worked in northern Ontario. Where did you work?

**Ms. Candace Chartier:** Kenora, and we flew to the reserves that are only accessible by air.

**Mr. Victor Fedeli:** I'm from North Bay.

**Ms. Candace Chartier:** Okay.

**Mr. Victor Fedeli:** I represent Nipissing. I was going to ask you if you've noticed a difference between the long-term-care facilities or working in long-term care or managing long-term care in southern Ontario versus northern Ontario? Is there anything that comes to mind in terms of a difference?

**Ms. Candace Chartier:** Yes. You're going to see a difference across the LHINs. Quite honestly, I think that, especially since we've gone to the new care plan system that we have, you have a very different mix of residents. The residents we were looking after three years ago aren't the residents we're looking after today. With the shift to the community—that's what the real impact is. In northern Ontario, that shift to the community depends on what resources are in that community compared to other areas of Ontario. But the shift to the community, which we support, has resulted in more people being taken care of at home longer. What has happened is that now the residents coming into long-term care are much more clinically complex and much more frail. They are a much different resident than historically you would have seen three years ago.

In northern Ontario you have different populations. You have a high aboriginal population, high diabetes—so it depends on what area of the province you're in.

**Mr. Douglas C. Holyday:** Thank you very much. I was interested in the comment here that people are discharged from the long-term-care homes. I've gone through that with my grandparents, my own parents and so on, and I guess, although there might have been the odd person that left, I didn't think that in any large numbers people were actually getting discharged. I see here that you're talking about 7,000 discharged, and 2,000 were on a program. Could you tell me a bit about that?

**Ms. Candace Chartier:** With the recent investment in convalescent care programs, what that program has afforded long-term care is having a set number of beds that hospitals could bring residents in. A perfect example would be somebody who is at home and they fracture their hip. They don't have anybody at home to look after them. They go to the hospital and get the hip repaired, and then they go into one of our convalescent care program beds, where they can stay up to 90 days. We rehab them and get them back to a level with the right supports, and they can go back to their home.

So there are convalescent care programs, respite programs, a variety of programs that we look at. My previous role—I've done every role in long-term care—when I was an administrator in a small home in the city of Kawartha Lakes, we had a man who was in a wheelchair, a double amputee. The only reason he couldn't live on his own was because he didn't have the right support. So we worked with the community, and my staff went out and set up the apartment for him.

There's a whole bunch of different variations but, yes, we have successfully placed people back in the community.

1430

**Mr. Douglas C. Holyday:** So there might even be seniors that would be admitted, then after a period of time you'd find out that really, if they had some help, they could probably live on their own somewhere and you could get them to that situation?

**Ms. Candace Chartier:** Yes. Not so much now. I think what happened was that when the 20,000 beds were

put into the system, there was a mix of different residents. I think, like I've said, in the last three years our residents have become a lot more frail, and then the guidelines to get into long-term care are very specific. So the population we're looking after right now, as per the handouts, has a high level of dementias, large behaviours. We're getting people in with a dual diagnosis, so not only do they have dementia, but they have some kind of other disorder that is really complex to care for.

**Mr. Douglas C. Holyday:** My last question is, you're asking for an awful lot of money here, over \$100 million annually. What have you been getting, ongoing?

**Ms. Candace Chartier:** Historically, we've been getting 1.5% to 2%. Basically, with the amount of inflation and keeping up with the staffing, 1.5% is required just to do that.

What we're asking for—and a good example is the 3%. What that means in reality is, in a 150-bed home, one PSW on the floor full-time. So that 3% will give a 150-bed home a full-time PSW to care for the residents. Then the BSO investment is \$61 million, and what we're asking is, just double that. That will give an in-house BSO team an RPN and a PSW to work with those residents and determine the triggers before aggression turns into aggression.

**Mr. Douglas C. Holyday:** Thank you very much.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Candace. Thank you very much for coming today.

**Ms. Candace Chartier:** Thank you.

#### REGISTERED NURSES' ASSOCIATION OF ONTARIO

**The Chair (Mr. Kevin Daniel Flynn):** Our next presentation this afternoon is from the RNAO. Doris, if you'd like to come forward with your colleagues. It's good to see you again.

**Ms. Doris Grinspun:** Good to see you too. Thank you very much for having us, and good afternoon to everyone.

**The Chair (Mr. Kevin Daniel Flynn):** Make yourself comfortable. You get 15 minutes, like everybody else. Any time left over will be taken by the NDP for questions.

**Ms. Doris Grinspun:** Excellent. Thank you. As some of you may know, not all, my name is Doris Grinspun, and I'm the CEO of the Registered Nurses' Association of Ontario. With me today is our senior economist, Kim Jarvi.

RNAO is the professional association for registered nurses who practise in all roles and sectors in Ontario. Our mandate is to advocate for healthy public policy and for the role of registered nurses in enhancing the health of Ontarians.

RNs know from personal experience the impact that budgets have on health, on health care and on the nursing profession, and we appreciate this opportunity to share our views on the 2014 budget. We have been asking for a balanced approach to budgets for the past few years, and

we are cautiously optimistic that this year the government will move beyond austerity measures, as it suggested in the fall economic statement.

When we speak of balanced approaches, of course we are talking about a rough balance between expenditures and revenue over the business cycle. We need to deal with the fiscal deficit seriously, and that means recognizing it for what it is: a constraint—a very manageable constraint, and one that must be balanced against growing social, health, environmental and infrastructure deficits. For example, we are encouraged that the government is looking at ways to raise revenue to pay for the huge transit infrastructure deficit across the province. Failure to deal with this deficit costs billions of dollars per year in the greater Toronto region alone. The sharp spike in unemployment in Ontario to 7.9% reminds us that we are a long way from recovery from the 2008 recession, and the low incomes associated with it also have a long way to go.

This brings fresh urgency to the call for a balanced approach, a balance that asks the following: What expenditures are necessary to strengthen an inclusive, healthy and sustainable Ontario? How do we pay for those services? How much debt is reasonable to deliver the necessary investments? How and when do we reduce the debt and deficit?

Our read is that there is significant unused capacity in the economy now, and considerable need for government to address the non-fiscal deficits we just mentioned through a combination of reallocation of resources, new revenue and judicious borrowing at low interest rates.

Our recommendations begin with nursing care: RNs provide the bulk of direct care by health professionals in Ontario. RNs have had a roller-coaster ride, to say the least, at budget times. Budget-cutting in the 1990s saw thousands of layoffs. This triggered a vicious cycle of RNs leaving the province, soaring workloads and burnout that ultimately hurt patients, RNs and health organizations. It took a concerted effort by successive governments to reverse the downward spiral through the creation of thousands of nursing positions. However, the 2008 recession led to austerity measures that fell particularly hard on RNs, with layoffs and reduced access to services. Today, Ontario sadly has the second-worst RN-to-population ratio in the country. I would not have thought about this in 2003 or in 2002 or in 2005. The need today is almost 17,600 more RNs just to catch up with the rest of the country.

We have five recommendations related to nursing human resources:

(1) Narrow the gap, as I said, of about 17,600 RN positions by immediately focusing attention on RN recruitment and retention. The only shortfall in nursing positions in Ontario is an RN shortfall. A place to start restoring RN positions is in long-term care, and I'm so very glad that we are presenting right after OLTC for that.

(2) Protect the safety of our seniors and ensure their timely access to quality care by phasing in minimum

staffing standards—we spoke about that a long time ago, even in the Shirlee Sharkey report—and we suggest starting with a minimum of one nurse practitioner per 120 residents. This will fit beautifully with the model that my previous colleague was speaking about, increasing the number of RPNs and of PSWs in long-term care, if you put nurse practitioners in every single one of them—of course, given the fact that there is not enough physician access to those residents.

(3) Ensure 70% full-time employment for all nurses so that patients have continuity of care and in their care provider. We have seen huge progress in this area, but the job is not done. In 1998, less than 50% of RNs had full-time employment, which is terrible for continuity of care, caregiving and terrible for the profession. The government committed to 70% full-time employment for RNs, and by 2012, we had risen to 68.6%. Unfortunately, 2013 saw the loss of many full-time positions and the ratio dropped to 66.8%. We are saying, let's get back on track.

(4) Deal with maximizing and expanding the role of RNs to deliver a broader range of care, such as ordering lab tests and prescribing medications to improve access to care for Ontarians and optimize outcomes. The Premier announced this at our AGM last April. Nothing has happened, and we are urging you to make progress, not for the sake of nursing but for the sake of Ontarians. We can achieve same-day access if we move with giving an expanded scope to the over 90,000 RNs we have in the health care system.

(5) Secure fair and competitive wages for nurses and nurse practitioners working in all sectors of health care. We are specifically speaking here about the remuneration of RNs and RPNs in primary care and in home care, and also nurse practitioners, who we will see leaving for other jurisdictions like Alberta because the compensation is much, much higher than in Ontario, which is one of the lowest in the country for nurse practitioners.

Nurses in the health system: RNs are highly motivated and highly educated, and they want to do more to expedite high-quality and cost-effective access to health care. A health care system anchored in primary care, where each interdisciplinary member is enabled to work to the full scope of practice, will bring health care closer to home and make best use of investments made in the health system.

#### 1440

To ensure coordination between the various elements of our health system, we must also enhance system integration and decrease duplication. To achieve this, RNAO proposes four recommendations:

(1) Support LHINs to achieve regional health system planning, integration and accountability for all health sectors using an evidence-based, patient-centred approach rooted within a population health, primary health care framework.

(2) Commit to providing all Ontarians with access to integrated, interprofessional, patient-centred primary care by 2020, in nurse practitioner-led clinics, community

health centres, aboriginal health access centres and family health teams, and focus on these four models of primary care, which are interprofessional and will ensure, within the full scope of practice, same-day access.

(3) Improve coordination and person-centred navigation across our complex system by partnering with patients to coordinate their care through primary care.

(4) Related to this, transition the 3,500 case managers, who today are working in community care access centres, to the primary care sector.

On social determinants of health, let me speak about our recommendations on that:

(1) Immediately increase the minimum wage to \$14 and automatically index it to the rate of inflation in order to bring workers above the low-income measure of poverty.

(2) Improve access to affordable housing and stimulate job creation.

(3) Transform the social assistance program to reflect the actual cost of living.

Environmental determinants of health: Again, like in social determinants, nurses are very, very aware of environmental determinants of health and the link between these and health outcomes. Our recommendations are:

(1) Set ambitious toxics reduction targets and ensure people have the right to know about the existence of toxics in their environment, in their homes, in their workplaces and in consumer products.

(2) Minimize the energy footprint by focusing first on conservation and energy efficiency, relying minimally on existing coal plants until they are closed, which we're very happy about; increase reliance on renewable energy; and strategically use natural gas and hydroelectricity imports from Quebec to meet any shortfalls.

(3) Create new dedicated revenue sources for a substantial expansion of transit and active transportation.

Lastly, our recommendations for medicare are:

(1) To once and for all stop privatization efforts, whether it is P3s, whether it is medical tourism that now exists in Ontario and we're closing our eyes to it, or whether it is the trial ballooning on user fees in home care. Stop privatization of health care services. It results in less care and more cost.

(2) Work with the other provinces and territories to raise our voice toward a 2014 health accord. We have yet to hear our Premier or our minister—I know we have heard their complaints about the decrease in the funding from the feds. We want to hear our minister speak about, "We need a health accord and we need it now." We shouldn't let the federal government off the hook on that.

(3) Expand our publicly funded, not-for-profit health care system to all medically necessary services, starting with universal home care, universal pharmacare and dental care for people living on low incomes.

(4) Focus on well-researched and demonstrated policies and evidence-based clinical practices to optimize the health of people, families, communities and our health system. And, of course, RNAO is always delighted

to be one of the biggest contributors to the health system in the area of evidence-based practice.

Lastly on this item, given the federal threats to close the door on supervised injection sites, we urge Premier Wynne to demonstrate leadership and immediately fund services in Toronto and Ottawa for supervised injection sites.

On the fiscal capacity, we are asking for more progressive taxation. We are asking for taxes that will encourage social responsibility—for example, environmental levies on carbon tax, and we are asking to work with the federal government to research the scope of tax evasion losses and then put resources into the loss of revenues. Thank you very much.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Doris. You've left time for a few questions.

**Mr. Michael Prue:** How much time?

**The Chair (Mr. Kevin Daniel Flynn):** There's about a minute, Michael.

**Mr. Michael Prue:** A minute. Okay. In one minute—

**The Chair (Mr. Kevin Daniel Flynn):** I've heard you ask quick questions.

**Mr. Michael Prue:** Yes. Many of the nurses' groups have come forward and asked for 17,600 positions. I've asked again and again and again, but we cannot put a number on what that will cost, or whether that will displace some of the other people: practical nurses and assistants in the hospitals. Can you tell me, the 17,600—is that replacing people? I'm trying to figure the costs, because if you're replacing them, it's not as expensive as if you're just adding 17,600—

**Ms. Doris Grinspun:** The 17,600, first of all, just so you know, is to actually bring us to the average in Canada. We are the second lowest. This is something that I would have expected 10 years ago, not today. Fifteen years ago we went through it. To go again and become the second worst in the country is not a good thing for health outcomes. You need to look at this as an investment that will actually save you money in the system, in keeping people healthy, keeping them out of hospitals and sustaining them in the community. So there's a cost analysis that needs to be done with this. It's often a mistake to see nursing as a cost only. It's what you save through that that you need to look at.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Doris, and thank you, Kim.

#### CAREER COLLEGES ONTARIO

**The Chair (Mr. Kevin Daniel Flynn):** Our next presenter this afternoon is from Career Colleges Ontario: Craig Donaldson. Like everybody else, you have 15 minutes; use that any way you see fit. Any questions will come from the government side, if there's time for that.

**Mr. Craig Donaldson:** Thank you very much for having me here today. My name is Craig Donaldson. I'm from Career Colleges Ontario.

Career colleges are an important part of the post-secondary education sector in Ontario. Today I'd like to

talk about jobs and improving employment in the province.

Career colleges have existed in Ontario for 146 years. We're regulated under the Private Career Colleges Act, 2005, which is administered by the Ministry of Training, Colleges and Universities. Since the inception of the first career college campus in Belleville in 1868, the career college sector has grown steadily and today remains a fundamental component of Ontario's post-secondary sector, with more than 600 campus locations offering more than 5,000 MTCU-approved diploma programs. Career colleges service more than 67,000 students annually and employ 12,000 people in the province. Career colleges pay over \$94 million in taxes.

I want to talk about three things today, but first of all, I'll give you a little bit more background about career colleges and what we do. I'd like to touch on three programs: one is OSAP, the Ontario Student Assistance Program; two is Second Career; and three is the Canada Job Grant that the federal government is actively promoting, and I'll talk about how Ontario can work with the federal government on that initiative.

Many of you have career colleges in your ridings, and I would encourage you to visit those sites. The vast majority of career colleges are teaching-only institutions that are focused on training for specific vocations and specific jobs. Generally speaking, career colleges offer very specific training—efficient and a quick path to employment. Generally, there are no summers off, and they deliver programs that are very targeted and specific to employment needs and the needs of employers.

The graduation rate at career colleges is just over 80%, and the job placement rate is approximately 83%. It's also worth noting that the job placement rate within field of study is generally very high at career colleges because it is specific training that employers are looking for.

There is a set of key performance indicators that are going to be coming out through MTCU later this year that are going to be an updated set of data directly administered through MTCU. That work is being done by Forum Research. It's also important to note that career colleges are actually funding that research and that study, so there's no budgetary impact of that data collection.

1450

There was a research study done in 2012, and the average cost of a community college graduate to the taxpayer is well over \$30,000. There's no direct funding going to career colleges, but students access funding programs directly. The average cost to the taxpayer of a career college graduate is only about \$3,700. So you can see there's a significant gap there between the cost to the taxpayer of training someone at a career college versus a community college. As I mentioned, there is no direct government funding going to career colleges, but there are funding programs that students attending career colleges access.

One of the main themes—we're advocating on behalf of career colleges as well as our students, and one of the things that we advocate is equal access to programs for students, whether they choose to attend a career college

or a publicly funded college or university. So the first thing I wanted to touch on is OSAP.

I wanted to voice that Career Colleges Ontario is very supportive of OSAP's new initiatives to collect the KPI data and to strengthen the eligibility requirements for career colleges to receive an OSAP designation. And we are supportive of their move, as long as it's applied in an equitable manner, to lower the threshold for loan default cost-sharing. Today, career colleges share in the costs of any loan defaults of their students. The Drummond report a number of years ago recommended lowering that threshold so that there is even more cost-sharing involved if there are high OSAP default rates. The career college sector is very committed to working with OSAP to lower those default rates. We do support strengthened accountability to the career college sector, and we support that being phased in and moved forward as they intend to do so.

The comment with respect to OSAP is, there needs to be equal access to funding for students. A good example is that today a student can access funding for part-time studies in OSAP only if they are attending a publicly funded university or college. It's a good example of one of the programs administered by OSAP where it's not equal access to students. There are many great program offerings at career colleges that students could take advantage of that they are not currently taking advantage of because they are not having access to that funding. There is a lot of research that shows that if a student attends their first choice in what they really want to do, they're much more likely to be successful.

The second program that I wanted to talk to is the Second Career program. This is very timely with respect to what's going on with respect to funding and budgeting for this program as it relates to federal government transfers.

The Second Career program actually has very strong outcomes, so we commend the government in creating that program. There are strong outcomes for employment out of that program.

Today, about 60% of all the students who are funded through the Second Career program attend career colleges, and about 40% of them attend publicly funded colleges.

This is a strong system and a strong program. It's currently funded through the labour market development agreement. That's an important distinction, because the federal government has suggested that the labour market agreement, which is a separate pot of money, be reduced in funding transfers, to fund the Canada Job Grant.

If we look at those pots in isolation, there's certainly an opportunity to continue the good work, the things that are working well in the Second Career program, under the labour market development agreement, where the federal government has not suggested there be changes in the funding transfer, and also to get on board with the Canada Job Grant separately. I'll talk about the Canada Job Grant in one moment.

The other thing I wanted to talk about on the Second Career program is there's currently another distinction.

There's no cap on tuition funding if a student attends a publicly funded institution, but there is a cap on a private institution. We would suggest that cap be applied universally. We're suggesting that the cap be applied so that we're not double-funding a public institution because they're receiving capital grants and other grant money at the same time as receiving the Second Career money, at the same time as charging a higher tuition that may be allowed to be charged at a career college. All we're suggesting is that the cap be applied universally. The second item related to that cap is that it has been in place for a number of years now, and we do need to start applying a cost-of-living increase to that cap.

On to the Canada Job Grant: As I said, in the media just yesterday, Minister Kenney, in one of his speeches, announced that it's the federal government's intention to move forward with this program and funding it, even if the provinces don't participate. We're hopeful that Ontario does participate in this program in one way or the other. We'd be happy to continue conversations with how to work out the details of that program, but we're hoping that Ontario participates in this program. We think that it is a good opportunity to put people to work in areas that need work. By partnering with the employer through this program, the program as originally presented—the federal government had said the federal government will kick in \$5,000, they're asking the provinces to kick in \$5,000, and they're asking the employer to kick in \$5,000 to fund a student's training—that's up to; it certainly could be less. They're now saying that even if the provinces don't kick in \$5,000, they will kick in \$5,000 and still ask the employer to kick in up to \$5,000. We generally think it's important that Ontario participates in this program so that Ontarians benefit from this program and benefit to access for in-demand training, as opposed to not participating and potentially seeing more funding flow to other provinces as opposed to Ontario.

The final comment I'll make with respect to both Second Career and the Canada Job Grant is that it's critical that those programs are administered in an efficient manner, and it's very important that the funding is going to training as opposed to overhead of administering those programs. We think there's room for improvement in the Second Career program, and we think it's critical that any implementation of the Canada Job Grant training ensure that funds are going to students and getting them jobs, as opposed to creating too much overhead infrastructure in that program.

In closing, we just want to continue the partnership of career colleges working to address the skills gap that we have in this province to get people back to work, and we look forward to continuing to work with Minister Duguid and his ministry and the Ontario government to ensure that students have access to programs and take training at career colleges that employers are looking for, job relevant, and really get people working in the province.

Thank you very much. I welcome any questions anyone has.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Craig. You've left about two and a half minutes for questions. Donna? Steve?

**Mrs. Donna H. Cansfield:** Thank you very much. It's fascinating, and I know that career colleges have a role and a place to play in Ontario and the education system. How many students are enrolled in career colleges?

**Mr. Craig Donaldson:** It's 67,000 a year.

**Mrs. Donna H. Cansfield:** So 67,000, and of those, how many would you suspect are students from other countries?

**Mr. Craig Donaldson:** Very few.

**Mrs. Donna H. Cansfield:** Very few.

**Mr. Craig Donaldson:** Currently, the MTCU has come up with a new framework for international students. A number of career colleges have applied for designation as a destination school for international students, but it would be a very, very small percentage that are—less than 1%. The vast majority of those students are Ontarians.

**Mrs. Donna H. Cansfield:** And are most career colleges specific to a particular discipline, or multi?

**Mr. Craig Donaldson:** It's a fairly diverse sector, so you have a number of career colleges that are larger, that are multidisciplinary schools, and then you have a number that are—generally speaking, but not always—generally smaller and specific, so a truck driving school or a flight school. But you've certainly got a number of large schools that are training in a variety of disciplines, whether it's a variety of pre-apprenticeship and trades type of training or whether it's business technology, health care or law—those types of programs.

1500

**Mrs. Donna H. Cansfield:** Do you work closely with the federal government at all in terms of immigration or around people who have been in refugee situations vis-à-vis accreditation or getting their credentials?

**Mr. Craig Donaldson:** Yes, we do work together with them through our national association, the National Association of Career Colleges. It's one of the reasons why the Ontario government has suggested that not all schools should be able to accept international students. There's a lot of issues today with language schools that are not career colleges. I can't really speak on their behalf. With respect to language schools and career colleges, we support the direction of creating designated criteria, as long as it's reasonable, for the acceptance of international students.

**Mrs. Donna H. Cansfield:** The two restrictions—  
*Interruption.*

**The Chair (Mr. Kevin Daniel Flynn):** I'm going to have to end it there, Donna; sorry about that.

**Mrs. Donna H. Cansfield:** Thank you very much for your presentation.

**Mr. Craig Donaldson:** I'd be happy to answer any follow-up questions that you have.

**The Chair (Mr. Kevin Daniel Flynn):** Thanks for coming, Craig. Sorry to cut you off there.

## WELLESLEY INSTITUTE

**The Chair (Mr. Kevin Daniel Flynn):** Our next presenter this afternoon is from the Wellesley Institute. Steve Barnes, would you like to come forward and take Craig's seat? Welcome. You have 15 minutes like everybody else; use it any way you like. The questioning this time will come from the Conservatives.

**Mr. Steve Barnes:** Thank you. My name is Steve Barnes. I'm a policy analyst with the Wellesley Institute. The Wellesley Institute is a Toronto-based non-profit and non-partisan research and policy institute. We focus on population health and the social determinants of health, things like income, housing and health care access.

What I'd like to talk about today is poverty reduction, which has been a real priority for all parties for the last five years. We'd like to suggest that this budget is critical for taking the next step, given that the next Poverty Reduction Strategy will be released very shortly. Given that our mandate is in population health, I wanted to quickly set out the scope of the problem of health inequities and poor health in Ontario.

We know already that today there are twice as many men in the lowest-income group in Ontario who have diabetes compared to men in the highest-income group; it's 2.5 times the figure for low-income women as high-income women. Neighbourhoods with low incomes have higher rates of low birth weights for babies than higher-income neighbourhoods. This is a real problem because being born with a low weight sets children up for a lifetime of poor health. On dental care, only 40% of low-income households in Ontario have access to dental benefits. These differences make a difference to the health of people on a day-to-day basis, but they also have even more fundamental effects in that, in Toronto, men in that lowest-income group live 4.5 years less than men in the highest-income group, and it's a two-year difference for women.

So that's the scale of the problem. Stating it in those terms makes it sound like a huge problem, and it is. The argument that we would make is that by investing in poverty reduction, we can start to chip away at those inequities.

I'd like to start by talking about social assistance adequacy. It's generally accepted that social assistance rates today are set at a level that is too low for people to be able to afford to live a healthy and decent life. There is plenty of evidence in Ontario and from elsewhere about people receiving social assistance and the particular health challenges that they face. That includes higher rates of diabetes, heart disease and other chronic conditions. Chronic conditions are ones that are very hard to manage if you have a low income.

Last year's budget made some significant progress toward reducing poverty in Ontario for people on social assistance. That included a modest increase in the social assistance rates, allowing people to keep more of their earned income and increasing asset limits for people receiving Ontario Works.

That was a good start, and this budget is the opportunity to make further progress on that. As you're all aware, the Commission for the Review of Social Assistance in Ontario reported a couple of years ago now. One of the recommendations that the commissioners made was that there needs to be a \$100-per-month increase to the Ontario Works rate for single adults. That's because that rate is the lowest, and it's inevitable that any singles on Ontario Works are going to be living in deep poverty. Last year's increase to social assistance rates was a start, but we really need to make that \$100-per-month increase, and we would encourage you to consider that.

Another immediate and fairly simple change that could be made to social assistance is the—

*Interruption.*

**Mr. Steve Barnes:** Is that the fire alarm?

*Interjections.*

**Mr. Steven Del Duca:** I was about to duck, just in case.

**Mr. Steve Barnes:** All right. I'll talk fast, in case we're going to be kicked out.

Currently in Ontario, for people receiving social assistance, if they are also receiving child support payments, those payments are deducted from their social assistance cheque. We think that that's pretty unfair and that child support payments are intended to help children. To have the amount deducted from the social assistance payment just means that those single-parent families are no further ahead, so the commissioners recommended that child support payments be treated in the same way as earned income. That just means exempting the first \$200 per month and then making any deductions at a 50% rate instead of the 100% that currently exists from the first penny. That's a fairly simple change to make, and it would make a big difference in the lives of low-income families.

I want to turn briefly to housing, specifically housing supports for people who are receiving social assistance. This time last year, the Community Start Up and Maintenance Benefit was eliminated. This was a benefit that was designed for people on social assistance who had large and unexpected housing-related expenses. It helped cover first and last months' rent. It helped cover large hydro bills that maybe weren't expected, or replacing furniture if there was a bedbug infestation—things like that, things that can be the difference between paying rent that month and not paying rent. It was essentially a homelessness prevention program.

The province cut that benefit and passed responsibility to the municipalities. When they passed that responsibility along as part of a broader housing package that municipalities are now in charge of delivering, they only took half of the money that was allocated for that benefit and passed it to municipalities. In response to opposition in 2013, some transitional funding was made available to municipalities, and, in 2013, municipalities were working out their plans.

What we've seen in the last year is that municipalities can't afford to have that transitional funding end, as it's

soon about to. Municipalities have had to enforce fairly strict criteria for accessing supports, partly because they didn't know whether or not they were going to be able to provide help to people through to the end of the year, because it was so uncertain in terms of how much funding they had versus how much demand there was. Ideally, what we'd like to see is the community start-up benefit reinstated, but at the very least we need to make sure that the transitional funding is made permanent.

Minimum wage is the last substantive issue I want to touch on. Minimum wage has been frozen in Ontario at \$10.25 since 2010. At the current rate, it means that people are more or less guaranteed to be living in poverty or near poverty if they're earning minimum wage. In recent years, we've seen an increase in the number of working poor in the province.

If you start from the premise that people who are working should be able to live outside of poverty, which I think is a pretty reasonable assumption, then we need to make some improvements to minimum wage. So what we would recommend is that the minimum wage be benchmarked at 10% above the low-income measure and, critically, that it be indexed to inflation to protect the real purchasing power of people who are in low-wage jobs.

This budget is a critical opportunity to act. With the Poverty Reduction Strategy about to come out, this is the opportunity to really show that you're serious about reducing poverty. One of the reasons that the first Poverty Reduction Strategy was successful in its early years is because the Ontario Child Benefit was backed up with serious investments. We need something similar for this new Poverty Reduction Strategy, and, like I say, this is the budget for it.

Thank you, and I'm happy to answer questions.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you for coming, Steve. We've got almost six minutes left. Vic?

**Mr. Victor Fedeli:** Thank you very much, Chair. I quite enjoyed your presentation, Steve, and I thank you.

Now, I realize that you are a Toronto-based organization and you focus on urban health, but have you any data, any thoughts, about the Far North or First Nations, any disparities there that you would care to comment on? 1510

**Mr. Steve Barnes:** There is plenty of data on the health status—the connections between income and health status are very clear, and that's in Ontario, it's in Toronto, it's everywhere. We know that in the north, the cost of living is very high, and we know that there are particular challenges with First Nations.

Like you said, this is the area that we specifically work in, but when we're talking about the insufficient incomes that many people in Ontario have, we know that there are regional challenges. While I've spoken mainly about the issues in Toronto—and Toronto is a very expensive city to live in—there are challenges in cities and communities all across the province.

With the Community Start Up and Maintenance Benefit, one thing we have found is that for smaller centres in Ontario it has been a real challenge, partly because muni-

cipalities have been given a lot of power to determine what types of programs they would like to offer. Some cities and towns have provided supports; others haven't. So we're in a situation now where the type and the amount of housing support that you get depends on where you live. That was one of the real problems with eliminating that benefit. When it was a provincial benefit that was attached to social assistance, it was consistent, so you got the same level of support regardless of whether you were in North Bay or Toronto or Ottawa or Windsor or anywhere else. Now that's not the case.

**The Chair (Mr. Kevin Daniel Flynn):** Vic, I need to just jump in here for a minute. If anybody owns a silver Nissan Sentra, BHZF 769, it's going to get towed very shortly if it's parked where it shouldn't be. I hope it's not you, Steve.

**Mr. Steve Barnes:** It's not me.

**The Chair (Mr. Kevin Daniel Flynn):** If it's anybody in the audience, the legislative people are going to tow it very shortly.

Go ahead.

**Mr. Victor Fedeli:** Thank you, Chair.

We've been touring Ontario and all three parties have commented on presentations such as yours with a sentence that usually goes something like, "We all know the best way to eliminate poverty is through a job." As I say, all of us have agreed in the past on that, and certainly this week. Have you looked at any job creation strategies, such as lower taxes or red tape reduction, where businesses will create jobs? Have you considered anything to help job creation in this study, the analysis that you've done?

**Mr. Steve Barnes:** You're right that having a job is the most important pathway out of poverty. In terms of my research background, I haven't done what you've asked, but there is plenty of evidence that there are significant barriers to getting jobs even for people on social assistance, for example. So we have real challenges for people with disabilities, for example, getting from ODSP into paid employment.

The Commission for the Review of Social Assistance addressed this and they did a good job, but it is a big challenge, right? There are some changes that need to be made in the labour market, for sure. We need employers who are prepared to take people with disabilities on. I don't have the answers for that; I'm not going to pretend that I do.

The fundamental thing is that we need to make sure that the jobs that exist are available, and that they are good jobs, as well. They need to pay decently and they need to have health benefits so that we can get away from the situation where people with low income have those higher rates of chronic diseases and so on.

**Mr. Victor Fedeli:** Would you consider, in upcoming papers, to look at a chapter on job creation and some of the methods of job creation? Would that be something that you would perhaps consider for future papers?

**Mr. Steve Barnes:** Absolutely. Our mandate is population health, so if there were a connection—and I'm

sure there is—we would look at that. I'd be happy to talk to you about that.

**Mr. Victor Fedeli:** My final thought would be—and we've talked about it with so many groups in Ontario over this past week and I know we'll be doing the same next week—on the 10-cent-a-litre gas tax that's being planned throughout Ontario. Do you have thoughts on the repercussions or ramifications, good or bad, that that will have on the people you're referring to in this paper?

**Mr. Steve Barnes:** It's one of those things where cost-of-living increases are tough when you have a very low income to begin with. So in the same way that a five-cent increase to TTC fares is difficult for people receiving social assistance, a gas tax increase would be the same. The structural problem that we want to get to is the low income to begin with, and that's why we need to look at social assistance rates and minimum wage.

**Mr. Victor Fedeli:** Chair?

**The Chair (Mr. Kevin Daniel Flynn):** You've got about 20 seconds.

**Mr. Victor Fedeli:** I'm going to leave it at that, then. I appreciate your presentation very much. Thanks for the work that you're doing.

**Mr. Steve Barnes:** Thank you very much. I appreciate it.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Steve, for coming today.

#### ONTARIO FEDERATION OF AGRICULTURE

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation this afternoon is from the Ontario Federation of Agriculture. Neil, please come forward and introduce yourself and your colleague for Hansard.

**Mr. Mark Wales:** My name is Mark Wales. I am the president of the Ontario Federation of Agriculture. Ted Cowan, my senior energy researcher, is here with me today.

**The Chair (Mr. Kevin Daniel Flynn):** Oh, we don't have Neil.

**Mr. Mark Wales:** No, Neil made the reservation. I'm the president; I get to do the talking.

**The Chair (Mr. Kevin Daniel Flynn):** Okay. You have 15 minutes. If there's any time left over, the questioning will come from the NDP.

**Mr. Mark Wales:** Thank you. The Ontario Federation of Agriculture appreciates the opportunity to outline the issues impacting farming and the priorities of Ontario's farm community in advance of the next Ontario budget. We note that each party has employment, investment and environmental goals for Ontario. We want to be the ones to help achieve these goals.

The OFA is Canada's largest voluntary farm organization. We represent more than 37,000 farm families across Ontario. We grow for a living, and we grow our businesses too. We are keen to deliver on the 120,000 jobs that the Premier and Minister of Agriculture and Food, Kathleen Wynne, has challenged the sector to create, but

the agri-food sector needs the right tools from government.

**Natural gas for rural Ontario:** This is really our major infrastructure and long-term request. Extending natural gas to rural Ontario is the best rural investment Ontario can make. It is a game changer. Natural gas will significantly lower energy expenses. For heat, natural gas is only 30% of the cost of electricity and approximately one half the cost of propane, but less than one fifth of Ontario farms and non-farm rural families have access to natural gas. It is wrong that rural families must pay two to four times for heat than what urban families pay. Expanding natural gas across rural Ontario will reduce the cost of heating barns, providing hot water for dairy, drying grain and running greenhouses.

Natural gas in rural Ontario will eliminate the need for over 600 megawatts of generating capacity—that's equal to a large nuclear unit—as folks go off costly electric heat. Natural gas for 500,000 rural Ontario farm and non-farm families will cut their home energy bills by more than \$1,000 per year per household, while 30,000 farms and other small businesses will save even more. This amounts to an energy savings of over \$800 million per year. That money will be reinvested in rural Ontario families and businesses and will generate jobs and growth in local services and in new food processing and manufacturing.

The OFA strongly recommends that the provincial government commit to a long-term public-private sector partnership to expand natural gas infrastructure in rural Ontario, starting with the 2014 provincial budget.

The OFA suggests public infrastructure investment cover about 35% of the cost of buying and installing pipe over the next 20 to 25 years, at a targeted rate of 5,000 kilometres of pipe per year. Gas companies would pay the remaining 65% of new rural gas line costs. The OFA proposal is designed so that no customer on an existing gas line would pay more as a result of extending rural service.

**Property assessment and taxation:** The OFA appreciates parliamentary secretary Steven Del Duca's Special Purpose Business Property Assessment Review, especially the recommendations respecting grain elevators. The OFA encourages the government to implement the recommendations in the report of the Special Purpose Business Property Assessment Review as soon as possible. The OFA agrees that clearly defined processes and procedures can strengthen MPAC's farm assessment methods, including improved sales verification and use of an adequate sample size, by expanding the geographic area and sales period.

**Provincial transfers to municipalities:** The OFA believes the portion of taxes raised from property is inappropriate, as property taxes should finance services to property and not services for citizens. Given limited tax authority and reductions in the real value of transfers from Ontario, municipalities raise taxes to cover services to citizens as well. This results in non-competitive taxation of land-based industries such as agriculture.

## 1520

The OFA recommends that provincial transfers to municipalities be increased so that municipalities do not have to excessively tax property. In addition, or in the alternative, the province could phase out property taxes for education.

Ontario must ensure that Ontario farms and rural businesses have access to physical infrastructure capable of handling current and future needs and that rural Ontarians have services and infrastructure comparable to their urban counterparts. Provincial investments are needed to ensure rural Ontarians have comparable access in health care, education, child care and services delivered by municipal governments.

**The Local Food Act:** The OFA believes the Local Food Act is a big plus. OFA will work with Ontario to have Ontario food available to Ontario consumers. The OFA recommends additional funding and expertise be made available to enable hospitals, schools and other public sector institutions to purchase and use more Ontario-grown food. At the same time, food literacy needs to be enhanced in our schools.

**Risk Management Program funding:** The OFA requests that the Risk Management Program cap of \$100 million be reassessed and raised to enable more adequate risk management capacity. Farmers manage most risks on their own. A small minority of farmers claim for crop insurance or income stability through other programs, but when markets go south, the RMP has to be there, with government sharing the market risk with farmers.

In 2012, the provincial contribution to the RMP was capped at \$100 million. This limits covered losses severely and results in payment delays. The cap places a much higher level of market risk on Ontario farmers than in competing jurisdictions.

**Minimum wage:** Although this is not a budget item, it is still a critical issue for the competitiveness and growth of Ontario farming. Farmers want to reduce poverty, but feel the use of minimum wage is and will be counter-productive. Jumps in minimum wage reduce seasonal and youth employment, guaranteed.

The OFA urges the government to try poverty reduction strategies that work:

- focus on full employment and sustainable growth in the economy;
- reduce income tax on low-income households;
- re-tune welfare and reduce clawbacks on support programs;
- support long-term care;
- improve support for child care;
- facilitate affordable housing and transit; and
- enable access to affordable education.

**Agricultural research:** Ontario's budget for agricultural research has languished for 18 years. Support is lower in dollar terms than it was in 1994. In inflation-adjusted dollars, it is one sixth of what it was then. The Ontario government should immediately increase funding for university-based agricultural research to \$100 million per year.

Research works. OFA organized and managed a \$3-million research project funded by the Agricultural Adaptation Council to discover new and innovative uses for biomass. Ontario is an emerging bioeconomy, and examples such as the Lanxess and BioAmber plants in Sarnia highlight the value of boosting ag research.

OFA sees the key government expenditures and policies highlighted in this submission as prerequisites to doubling the agri-food sector's growth rate and creating 120,000 more jobs by the year 2020. OFA has proposed short- and long-term initiatives to grow sustainable farming and agri-food firms and sustainable growth across our rural economy. Number one for us on this list is getting natural gas extended to the countryside. There will be power conservation and savings in over half a million families that will drive investment. Having gas and great food together will lead to food processing jobs. The very significant benefits of natural gas will fuel growth. Please put rural natural gas lines in the upcoming budget.

Ontario farmers are here for the long haul. We are pleased to work with you, and we are glad that you listened to us. Thank you, and I look forward to your questions.

**The Chair (Mr. Kevin Daniel Flynn):** Great. Thank you very much for your presentation. Jonah? Michael? About six minutes.

**Mr. Michael Prue:** Six minutes, okay. Let's start with the natural gas. Natural gas is found in every city, every town because the natural gas companies can make a profit. They can put in the lines, sell the gas and know that they're going to recoup their losses. Can they recoup their losses—that's the question I have—in rural communities, where farms might be set a kilometre or so apart? Is that the reason they are not there, that they can't make any money off it?

**Mr. Ted Cowan:** That is the reason they are not there. Ontario has a single price system for all of Ontario, essentially—one slightly different for Union, one slightly different for Enbridge, but that's that. We're proposing that the Ontario Energy Board certify a separate price for the new rural gas lines. The distribution costs will be higher, but the savings will still be there. So if a person is on oil, right now they're paying about \$2,500 a year; well, they'd be paying about \$1,750. If they're on propane, they're paying over \$3,000 a year for heat; they'd be paying about \$1,750. And if they're on electric heat—

**Mr. Michael Prue:** I don't even want to think about that.

**Mr. Ted Cowan:** —they're paying \$5,600-plus; they'd be at \$1,750. That's \$4,000 a year in savings for that family. It's 10% of their after-tax income for an ordinary family and more for lower-income families. This is a massive benefit for rural Ontario.

**Mr. Michael Prue:** No, no, I know how important it is.

**Mr. Ted Cowan:** And it will pay the way. I've spoken with the Union president and their senior VPs and the

Enbridge president and his senior VPs. They tell me this is our number one priority in Ontario.

**Mr. Michael Prue:** Okay, so what do we need to get the Ontario government to do it? Because, as I understand it, in the past Enbridge and Union laid the pipe. They paid the costs, and then they recouped the profits.

**Mr. Ted Cowan:** And they get it from the customers.

**Mr. Michael Prue:** Yes. But you're asking the budget committee—for us to do something.

**Mr. Ted Cowan:** Here's the arithmetic.

**Mr. Michael Prue:** Okay.

**Mr. Ted Cowan:** You need as close to everybody as you can get, which means the people who are going to be the holdouts are the people on oil, because they have the least to save. So you've got to have that roughly 30%, 35% of public dollars—roughly \$70 million a year for 20 years—that goes into the pot. That keeps the rate low enough that the guys on oil still save and they get in, and Union and Enbridge then assuredly get their rate of return, and everybody out in the countryside—probably not the west end of Manitoulin, but where the density is over six or seven customers per kilometre, and that's the vast majority—they'll get gas.

**Mr. Michael Prue:** That was my next question. It would seem to me that south of the French River, it would probably work; throughout all of Ontario north of that, maybe not so much.

**Mr. Ted Cowan:** There will be scattered pockets outside Kenora and Rainy Lake and—

**Mr. Michael Prue:** Timiskaming, probably.

**Mr. Ted Cowan:** —bits and pieces along the Trans-Canada.

We have just had a call actually earlier this morning. A fellow was proposing that for the areas that can't be served with gas—they thought that a solar heat option would work for those people as well.

**Mr. Michael Prue:** Okay. Have I still got time?

**The Chair (Mr. Kevin Daniel Flynn):** Yes, you've still got a couple of minutes.

**Mr. Michael Prue:** The next question: You weighed in on the increase in the minimum wage. You've come along with a whole bunch of socially progressive stuff in lieu of the minimum wage, and I commend you for that. But the rationale for the minimum wage, I'm having a little bit of—I'm not having a problem, because it's going to cost farmers a good deal of money to up the amount that is paid, because a lot of our minimum wage workers on the farms are migrant labourers who come from Mexico and Jamaica and stuff like that. Does that have any bearing on the reluctance to see the costs go up?

**Mr. Mark Wales:** No, actually, only about 20% of employees on farms are actually part of the offshore labour program. The other 80% are Ontario workers. The biggest challenge, of course, for our industry is that we're price takers, not price setters. We live in the Walmart world where they say, "We'll buy what you grow at this price. If not, we'll bring it in from Peru, Chile, Ecuador, Mexico, China, wherever." That's the reality. We have to compete—unfortunately and frustratingly, from our per-

spective—against countries that have a dollar-an-hour wage and, in some cases, a dollar-a-day. That's the challenge.

So as I mentioned, substantial raises in minimum wage to agriculture will simply result either in the job disappearing or they'll result in mechanization. A farmer will have to look at, "Do I grow that crop or not? Or do I simply grow a crop where I don't have to hire anyone?" And that's sad, because we have the greatest range of agriculture products grown in this country: over 200 different crops and commodities. Of course, agriculture is a really large employer. The horticulture sector would be hit the hardest with any raise in the minimum wage.

**Mr. Michael Prue:** Okay, and just in terms of that, should the government, in its wisdom, raise the minimum wage and you are required to pay it—I don't want to put any farms out of business or farmers, because I believe in local food and production. Would a subsidy, or an equivalent to that, help or would it offset it?

1530

**Mr. Mark Wales:** I believe the submissions that we made to the minimum wage panel back on November 1 included the suggestion of a special agricultural minimum wage, if there was to be an increase. The big challenge is—I think we've seen lots of suggestions that a model going forward be based on the CPI. The worry is, what happens if there's a big jump first and then a CPI introduced? That would cause a problem.

**Mr. Michael Prue:** Thank you so much.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, gentlemen. Thank you, Michael.

**Mr. Mark Wales:** Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you for coming today.

#### GAMMA-DYNACARE MEDICAL LABORATORIES

**The Chair (Mr. Kevin Daniel Flynn):** Our next presenter this afternoon is Naseem Somani. Naseem, if you'd like to come forward, from Gamma-Dynacare Medical Laboratories. The floor is all yours. You have 15 minutes; use it any way you see fit. The questions this time will come from the government side.

**Ms. Naseem Somani:** Thank you, Mr. Chair. Good afternoon, ladies and gentlemen. It is my pleasure to speak to you today on behalf of Gamma-Dynacare Medical Laboratories as the Ontario government contemplates the 2014 budget.

Gamma-Dynacare has been providing community laboratory services to the people of Ontario since 1968. Today, our company has four reference laboratories located in Brampton, Bowmanville, London and Ottawa, and a network of 95 specimen collection centres right across Ontario.

We currently employ 1,800 people in Ontario, many of whom are highly trained, highly skilled health care professionals. Our people do an excellent job of taking care of people. Our quality is very high, as are our patient

satisfaction ratings, and our error rates are extremely low. The work we do for patients is too important for these numbers to be otherwise.

To give you a sense of the size and scope of the community laboratory sector in Ontario, in 2013 the community lab sector provided 137 million medical tests for 17 million patient visits ordered by approximately 17,000 physicians. Today, as the practice of medicine has evolved and the use of technology in health care has increased, 80% of medical decisions are based on diagnostics, including labs and medical imagining. Within that number, 70% of medical decisions depend on lab results.

Of course, any discussion about Ontario's health care inevitably includes big numbers. After all, the Ministry of Health and Long-Term Care's budget is right around \$50 billion this year, a significant portion of the Ontario government's \$125-billion 2013 budget.

I would also like to share a small number with you: 1.3%. No, that's not the funding increase that I have come here to propose; 1.3% represents the percentage of Ontario health and long-term care's budget currently spent on community labs. Even though the current government has done a good job of flattening out the cost curve of the Ministry of Health's budget, the percentage of that budget allocated to community labs has actually decreased.

Members may or may not know that the community lab sector operates within an industry cap. That is, the funding amount allocated to community labs is fixed every year. We also operate within a corporate cap, where each lab company is allocated its respective share of funding. Once those funds are exhausted, we cannot and would not turn patients away. We take care of people first and try to make the numbers work. A good example of this was during the SARS crisis of the last decade, when my company and the others were pressed into emergency mode and were not compensated one extra penny for the work we did during that difficult time. A few years later, when the Ontario government embarked on its successful unattached patients initiative, connecting people with primary care providers, we saw a spike in patients. We did not receive any additional funding when we had a 21% year-over-year increase in testing volume. And every patient received high-quality lab services.

Notwithstanding this, our sector had to endure a \$22-million cut when the government and the Ontario Medical Association negotiated the last physician services agreement and decided, with no opportunity for input from us, that ordering fewer lab tests would be in order. We were not a party to that agreement but have to live with the consequences of it: no additional funds when volumes increase, but a cut when volumes are expected to decrease. You will understand if we feel some anxiety as the government sits down to negotiate their next deal with the doctors later this month.

My reason for being here today is simply to ensure that you and the government note that this climate and

these decisions are causing us and the people of this province to miss out on the full potential of the laboratory sector, and the benefits not being derived. Every objective analysis confirms that community labs are far more efficient than hospital labs and public health labs. The capped-funding model has forced us to become extremely efficient.

More importantly, companies like ours have access to and the ability to deploy the latest technological advancements that, quite frankly, people who live an hour's plane ride away from here are benefiting from every day. Community labs can also play a very meaningful role in the management of chronic diseases such as diabetes and kidney disease. We could play a much more meaningful role in medication management, reducing the multiple attempts it sometimes takes to get the right prescription. We can continue to increase access for patients in small and rural communities at minimal cost.

Members may not know this, but despite our capped situation, on multiple occasions in the last decade, community labs have opened new access when patient collection centres have been closed by hospitals or doctors have refused to continue to take samples—all of this with no promise or realization of increased funding.

Let me be clear. I am not here saying, "Give me the funding and I'll solve all the health care system problems." On the contrary, I'm not asking for an increase at all. What I am asking is to give us funding certainty. Give us predictability. Commit to us that we will not see further funding reductions. Work with us so that we can deliver innovation, efficiency and first-class health care. Talk to us before making decisions that will affect lab services. Treat community labs as valuable assets and partners who can be trusted and collaborated with, not as expenses to be minimized and managed.

Lab services are not a commodity. We provide vital clinical support to the health care system that relies on us millions of times each day to make the right decisions for patients.

Up until a couple of years ago, our association, the Ontario Association of Medical Laboratories, used to sit down with the government and work out a two-, three- or four-year service agreement or contract. During that process, the government would lay out not only a funding arrangement, but also the policy objectives to be met over those two, three or four years. In turn, our industry would spell out not only our requirements, but also what else we had to offer. I would urge decision-makers to reinstate that contract process if you want labs to reach their potential and extend full benefit to patients. I don't think anyone, in any business, would make substantial investments in a climate where your revenues can never go up, but they might, and probably will, go down.

Our business is growing across the country. We're making new hires, investing in new laboratories and technologies. But Ontario has stalled under a paralysis of uncertainty and short-sighted cost-cutting. We want that to change because we are a proud Ontario company that wants to maximize the value we can bring to the province.

I want to thank you for the opportunity to present today and look forward to answering any questions.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Naseem. You've left about five minutes—actually, almost six minutes. Steve first, then Donna.

**Mr. Steven Del Duca:** Thanks very much, Chair.

Thank you for being here and presenting to us today and for a very thoughtful presentation. I had a couple of questions.

One is, in terms of the services that are provided by community labs in the province, could you elaborate a little bit about whether or not it would be possible for any particular types of testing or services to be enhanced in the province? Could you explain a little bit more about that from your perspective?

**Ms. Naseem Somaní:** Yes. Diagnostic technologies are exploding, especially after the discovery of the human genome. So genetic testing and molecular diagnostic testing have become quite commonplace in other jurisdictions and standard of care in many jurisdictions.

1540

In Ontario, the genetic centres are quite limited, and access for community patients to those tests is quite difficult. If funding was assured and secured, companies like ourselves, and certainly I can speak for Gamma-Dynacare, would be very prepared to invest in bringing those technologies and making them available to Ontarians, because the standard of care is changing.

**Mr. Steven Del Duca:** Right. So what are the primary or major impediments to—

**Ms. Naseem Somaní:** Regulatory and funding.

**Mr. Steven Del Duca:** Right.

**Ms. Naseem Somaní:** I can set up a genetic test today, but who's going to pay for it, the patient? If a physician orders it—access to tests like the BRCA test or even CF testing, which are very commonplace in other jurisdictions, is quite a convoluted process. They've become very routine, and we've limited and constrained access. I think that Ontario needs to modernize in many respects. Some of the new tests are much more specific and sensitive and can replace some older tests, because we do need to enhance the knowledge and technical skills of our people.

**Mr. Steven Del Duca:** Great. Thank you. Donna, I don't know if you have any—no? Great.

**The Chair (Mr. Kevin Daniel Flynn):** You've got about three minutes.

**Mr. Steven Del Duca:** I think we're good.

**The Chair (Mr. Kevin Daniel Flynn):** Everybody's happy? You made everybody happy. Thank you very much for coming today. It was appreciated.

**Ms. Naseem Somaní:** Thank you.

#### ELEMENTARY TEACHERS' FEDERATION OF ONTARIO

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation this afternoon is from the Elementary Teachers' Federation of Ontario. If you'd like to come

forward and take your seats. If you could each introduce yourself as you speak so Hansard knows who is speaking at what time, that would be really appreciated. You've been here for a while so you know what the rules are: 15 minutes, use that any way you see fit. If there's any time left over, it will go to the Conservative Party for questions.

Welcome. The floor is all yours.

**Ms. Susan Swackhammer:** Thank you. I'm going to make it a little easier for you. I'm going to do all the talking.

**The Chair (Mr. Kevin Daniel Flynn):** Okay.

**Ms. Susan Swackhammer:** I'm Susan Swackhammer, the first vice-president of the Elementary Teachers' Federation of Ontario. To my left is Victoria Réaume, who is our brand new general secretary, and to my right, Vivian McCaffrey, a member of our staff, and I know you all know Vivian.

ETFO is looking to the government to develop a budget that adopts a more equitable approach to addressing the deficit and fostering economic growth. The 2013 budget confirmed that one-time savings from the cuts to teacher sick leave and retirement gratuity provisions contributed \$1.1 billion to the \$5-billion drop in the estimate for the 2012-13 deficit. The 2013 budget also reported that Ontario public sector settlements are now below those in the private sector, the municipal sector and the federal public sector.

Education sector employees have felt the full brunt of the province's public sector retrenchment policies. In spite of the former Premier's rhetoric about asking teachers and other education employees to simply take a two-year pause in their wages, ETFO members, together with their colleagues in education, have been dealt actual salary cuts and permanent reductions to their sick leave and retirement benefits.

After two years of public sector compensation cuts, it's time for the province to focus on sustaining public services that provide fundamental services to all Ontarians. During this period of manufacturing job loss, a strong public sector also has an important role to play in ensuring there are good middle-class jobs that contribute to the provincial treasury and fuel our economic recovery.

ETFO's recent fight against Bill 115, the Putting Students First Act, 2012, was, above all, a fight to defend free collective bargaining. While that fight is now proceeding as a challenge through the courts, and the bill has been repealed, we face the prospect of future provincial governments implementing anti-union policies such as so-called right-to-work-for-less legislation. This policy would fundamentally undermine the ability of unions to ensure fairness in the workplace, protect the health and safety of workers, and negotiate improvements to working conditions and benefits that ultimately set standards beyond unionized workplaces. Over decades of union struggle, Canadians now benefit from an eight-hour day and the weekend, workplace health and safety legislation, unemployment insurance and employ-

ment standards, public pensions, national health care, income support for new parents, training for unemployed workers, minimum wages, protections for injured workers and equal pay for equal work.

Union collective bargaining has ensured a more equitable distribution of wages and benefits than would have been the case otherwise. A recent study of 20 OECD countries found that a 1% increase in union density is associated with a 1.5% reduction in incidence of low-wage employment. As Canadian economist Andrew Jackson writes, "As middle- and working-class living standards are squeezed and society becomes more unequal, the economy becomes much more unstable and crisis-prone."

Anti-union policies such as right-to-work-for-less would contribute to a further loss of the middle-class jobs that have traditionally fuelled our economy and would weaken the tax base that supports our public services. In actively fighting against such anti-union policies, ETFO members are not just fighting for themselves, but they're standing up for their students' future ability to have jobs that are fairly compensated and governed by rules that respect the rights of both the employer and the employee.

The Liberal government has increased education funding since taking office in 2003, but the additional funding has only gone partway in addressing the \$2 billion in cuts imposed by the former Progressive Conservative government. Much of the funding increases since 2003 have supported important new initiatives like the reduction in primary class sizes and the introduction of full-day kindergarten. The 1.5% increase to education funding in 2012, for example, was virtually taken up with the continued rollout of full-day kindergarten. At the same time, the ministry implemented \$500 million in cuts resulting in job losses and program cuts at the provincial and school board levels.

I hope my opening remarks have set the context for ETFO's recommendations, which I'd like to walk you through now.

A number of key classroom supports were casualties of the education cuts in the late 1990s and haven't been fully addressed by the Liberal government. ETFO recommends that the government increase funding for educational assistants, behavioural counsellors, psychologists, and speech and language pathologists to better meet the needs of students.

There has been a significant increase in the number of students who don't speak either official language when they enter school, including students who are born in Canada. The grants should better reflect this situation. There is also a need to ensure that second-language grants are actually spent to support these learners. ETFO recommends that the government expand funding for English-language learner programs and English-as-a-second-language teachers to meet the language acquisition needs of English-language learners, and require school boards to spend the English-language learner funding as specified in the grants.

Full-day kindergarten is an important initiative. ETFO members are working hard to ensure that the program is

successful, but there are a number of implementation issues that need to be addressed and which have been identified by government-sponsored research. ETFO recommends that the government reduce full-day kindergarten class sizes to the same level as other primary grades; increase funding for kindergarten learning resources and equipment; and allocate funding for professional development to support the full-day kindergarten teacher-designated early childhood educator team and to support joint planning time.

The government's lower class sizes for primary grades is another important education initiative that has contributed to teachers' ability to meet the needs of individual students. Smaller classes contribute to improved student behaviour and peer relationships and to improved student engagement and academic achievement. It's time to address class sizes in grades 4 to 8 and extend the benefits of smaller classes to students in these grades. ETFO recommends that the ministry allocate funding to lower class sizes in grades 4 to 8 and that the Ministry of Education allocate funding for professional development to support teaching strategies in smaller classes.

Ensuring that our school communities are safer and healthier places to learn and work is an important factor in student achievement and educator excellence. The quality, frequency and duration of legislated health and safety training vary considerably among school boards across the province. ETFO recommends that the Ministry of Education allocate funding for the health and safety training of principals and educators to ensure that school boards meet the requirements of the Occupational Health and Safety Act and the Education Act.

Much of ETFO's submission addresses areas where the government needs to increase its investment. We do have recommendations for cost savings. Over the past several years, ETFO has recommended that it's time to change the student assessment regime and to save funding by either cancelling EQAO assessments or moving to a random-sample model. There is increasing support among educational experts for this policy. ETFO recommends that the government require that EQAO move to a random-sample model of student testing.

## 1550

ETFO believes it's time for Ontario to move toward a single, secular public school system that respects French-language rights. Savings could be found particularly in small, rural communities where there is often an insufficient number of students to effectively provide a full and viable program and where there are school buildings with empty classrooms. The increasing diversity of Ontario's population also makes it difficult to defend a school system devoted to one religion. ETFO recommends that the government take steps to move toward a singular, secular school system in Ontario that respects French-language rights.

Finally, as we remarked at the beginning of our presentation, ETFO is looking to the 2014 budget to address the growing income gap and economic inequality in this province. In that vein, we recommend the following:

—that the government intensify its focus on meeting its poverty reduction target;

—that the hourly minimum wage be increased to \$14 and indexed to inflation;

—that the funding for child care be increased to more effectively address the current instability in the sector; and

—that the 2014 budget introduce personal and corporate income tax measures to address the growing income gap in Ontario. Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Very good. Thank you, Susan. You've left about five minutes for questions. Vic.

**Mr. Victor Fedeli:** I grew up in North Bay, and we learned never to question our teachers, so I thank you very much. We fully understand your position.

**The Chair (Mr. Kevin Daniel Flynn):** Any others?

**Mr. Victor Fedeli:** No; that's it. Thank you.

**Ms. Susan Swackhammer:** That was a job that I apparently did well in North Bay, even though I never taught there.

**Mr. Victor Fedeli:** Mrs. Gregory did. A shout-out to Mrs. Gregory, who's still with us, my grade 1 teacher.

**Ms. Susan Swackhammer:** Oh, excellent.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much for coming today; it was appreciated. Thank you for the presentation.

## ONTARIO BIOSCIENCE INNOVATION ORGANIZATION

**The Chair (Mr. Kevin Daniel Flynn):** Our next presenter this afternoon is from the Ontario Bioscience Innovation Organization. Gail Garland?

**Interjection:** She has just run to the washroom.

**The Chair (Mr. Kevin Daniel Flynn):** I guess this is a bio-break. Is Jamie Rilett here?

**Mr. Victor Fedeli:** She's back.

**The Chair (Mr. Kevin Daniel Flynn):** Come on forward. We caught up a little bit ahead of time, so you're up.

**Ms. Gail Garland:** Here?

**The Chair (Mr. Kevin Daniel Flynn):** Anywhere you're comfortable. Thanks for coming, Gail. Make yourself comfortable there. All delegations are being given 15 minutes; use that any way you see fit. The questioning this time around, if there's any time left over at the end of your presentation, will come from the NDP.

**Ms. Gail Garland:** Good afternoon. Thank you for giving me the opportunity to speak with you this afternoon. I am Gail Garland, the president and CEO of the Ontario Bioscience Innovation Organization. I'm here this afternoon to discuss with you some recommendations for encouraging growth in Ontario's human health, technology and bioscience sector.

The Ontario Bioscience Innovation Organization is a not-for-profit, membership-based organization engaged in the development of an integrated health innovation economy for Ontario and one that will become a global

leader in providing health technology products and services to the international marketplace. OBIO advances this goal through advocacy, promotion and strategic leadership and via collaborative partnerships with industry, academia, patients and government.

Ontario's bioscience industry is a key pillar of the knowledge-based economy and the bridge between economic development and health care solutions for Ontarians and people worldwide. The benefits of a vibrant Ontario bioscience industry are health, jobs and economic return, which accrue to Ontario and Ontarians.

The industry recognizes the fiscal challenges that face the government, and the industry's priorities align with government's priorities to strengthen Ontario's economy, employ the best-educated, most innovative workers in the world and provide efficient health care solutions.

Today, we will put forward recommendations that would help make Ontario's life sciences sector both sustainable and competitive. These recommendations come from the consultation of OBIO's membership and reflect industry's focus on creating more knowledge-based jobs in Ontario and developing important health-based solutions.

Our first recommendation is to expand CAAP from its pilot year. The OBIO Capital Access Advisory Program, or CAAP for short, is a distinctive program designed to address the financial challenges faced by Ontario's innovative bioscience companies when moving from seed to larger financing rounds. Led by a steering committee of experienced life sciences venture capitalists from Canada and the United States, high-potential Ontario bioscience companies participate in the program, with a view to improving the probability of financing and building successful Ontario companies. Key goals are identified for each company, which could include areas such as intellectual property strategy, product and marketing strategy, business plan development or investor presentation development. In addition to the steering committee, subject matter experts serve as advisers to each CAAP company and provide targeted, goal-focused advice. These advisers include expert legal, enterprise management, health care analysis, pharmaceutical venture capital, product development, manufacturing, regulatory, licensing, marketing and communications, exporting and governance professionals who mentor and share their expertise with CAAP companies.

While enrolled in CAAP, we have also seen several companies create highly skilled jobs as they build their businesses and look ahead to accessing additional capital.

The Ontario Ministry of Research and Innovation has been an important supporter of CAAP in its pilot year.

Based on the successes we have seen thus far, including positive feedback from the steering committee, advisers and companies, we look forward to building on the 2013 pilot year and expanding the OBIO Capital Access Advisory Program in 2014. We urge the government of Ontario to continue to support this unique and vitally important program supporting Ontario's high-potential bioscience companies.

OBIO's second recommendation relates to accelerating the adoption of innovative technologies developed by human health technology companies to benefit Ontarians, the health care system and the economy.

OBIO's report titled Realizing the Promise of Healthcare Innovation in Ontario was released late last year. The report describes two key pathways that flow from adopting innovation to address the challenges of rising health care costs in the face of a shrinking tax base in Ontario. The first pathway is to use innovation to control spending, by pursuing economic efficiencies that in turn address the need for access, better outcomes and reduced costs. The second pathway is to build a robust industry and commercialize innovation to build tax revenues by strengthening the private sector to create jobs, exports and investments. If Ontario is able to demonstrate an open and transparent mechanism for adopting new value-added innovations, then local companies will be enabled to further invest and develop priority products and systems.

The trend of companies shifting and often relocating to larger markets can also be stemmed with a strong mandate to support the development and adoption of health technologies in the province of Ontario. With the adoption of new technologies, companies can continue to focus on the introduction of novel products into foreign markets and the ongoing export activities that define the successful innovation-based companies we wish to grow in this province.

Attraction of foreign products and companies to the region will also ensure that the best products are available to Ontarians, that international companies will establish a long-term presence in the province and that multinational corporations engaged in Ontario will also better align with the health priorities identified by government. The outcome will be positive change to the economic picture and to the health and prosperity of Ontarians.

Our third recommendation is a capital gains tax credit on investment returns for individual investors in private companies. OBIO recommends a provincial capital gains tax credit specifically targeted at the high-risk, high-potential-growth life sciences industry.

A capital-gains tax credit supports and encourages business investors to provide the critical factors necessary to support Ontario businesses and the economy, including providing a financial incentive, albeit sometime in the future, thus encouraging investment. The tax benefit will be realized only if the investment yields a realized return. This, therefore, encourages investment only in those companies that investors think will succeed and will yield a capital gain, thus encouraging careful selection and management support and contribution.

One of the most pressing challenges that SMEs face is access to risk capital at the early stages. Once funds from the government, family and friends are exhausted, individual arm's-length investors are a key source of capital for early-stage companies. Whether developing pharmaceutical drugs, medical devices or diagnostics,

companies in this phase have disproportionate difficulty in attracting investors compared to their counterparts in other countries like the United States and Australia. This may be due to the high-risk nature of the venture and the amount of time it takes to realize a gain from investment that domestic investors are generally uncomfortable with compared to their foreign counterparts.

#### 1600

The establishment of a tax credit for capital gains in high-risk industries like the human health technology industry will allow more projects to clear the investment hurdle rate and allow for an increased number of investments. Taking into consideration that only a small portion of the government's revenue is raised through capital gains taxes, eliminating this tax on investments in private bioscience companies makes practical sense.

Job creation and also revenue from corporate profit are reasons why the government should consider eliminating this tax via a tax credit. From the viewpoint of investors, a capital gains tax credit provides additional incentive to invest their wealth and time into risky ventures. From the entrepreneur's perspective, they gain access to individual investors and the wealth of experience that they can bring to a business.

Finally, OBIO would like to provide input on two topics contained in the fall economic update of 2013. On the topic of replacing existing provincial R&D tax credits with an incentive that would reward incremental R&D spending, OBIO recommends that the province leave existing R&D tax credits in place and add an incremental R&D incentive for companies that spend above a certain baseline amount. This hybrid approach supports increased overall levels of R&D and supports firms with high R&D growth.

OBIO believes that replacing provincial R&D tax credits with an incentive that would reward only incremental R&D spending would be detrimental to life sciences companies. For example, replacing provincial R&D tax credits to reward only incremental R&D spending will be detrimental to pre-revenue or early-stage life science companies with a small amount of revenue that depend on SR&ED tax credit refunds as an important source of funds used to operate their businesses.

Also, replacing provincial R&D tax credits to reward only incremental R&D spending will be detrimental to life sciences companies that do not significantly increase their R&D spending year over year. Without the benefit of R&D tax credits, companies may reduce their R&D spend and lay off staff. Companies that operate at a relatively steady state of R&D spending in one or more years are particularly vulnerable because of the nature of their businesses or where they are in their business cycle.

Our second comment is on the topic of "pay or play" tax incentives. OBIO recommends the institution of financial tax incentives for employee training by corporations. This would significantly enrich the life sciences workforce, creating opportunities for highly skilled workers by giving them the necessary skills to succeed.

In order to encourage economic growth, OBIO recommends the province provide incentives for investment in

equipment for life science companies and consider additional incentives for companies that invest in R&D equipment manufactured in Ontario.

OBIO supports the government's desire to increase investment in new equipment or other eligible investment expenses; and to support employee training and training programs. However, instituting "pay or play" tax incentives may increase overall costs for businesses operating in the life sciences sector and should be avoided.

Recent employer research has identified that new hires often have skill deficiencies as well as a lack of professional and other soft skills. Investments in on-the-job training will address this and ensure that highly skilled researchers are successful working outside of the university setting and make significant contributions to Ontario's economy.

Incentivizing Ontario companies to invest in equipment provides competitive as well as economic and productivity benefits for Ontario.

Thank you for the opportunity to speak with you this afternoon.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Gail. You've left about two and a half minutes for questions. Michael? Jonah?

**Mr. Michael Prue:** First of all, rather than questions, I just want to make sure, because this is highly complex—I think most of the people around here have just listened to you, and when you talk about tax policy and this kind of thing, our eyes glaze a little. But I want to make sure, because it may be very important, that a copy of this deputation is sent to the Ministry of Finance, particularly the tax people, who can look at this line-by-line and understand all the nuances, which I don't think—

*Interjection.*

**Mr. Michael Prue:** Yes. I might be wrong, but certainly as a 10-year veteran, I have not seen such a detailed request on income tax policy and tax policy. So let's make sure that's done.

But the one question that I do have, and I've only got maybe a minute and a half left now: Last year was a pilot year for 2013. How much money was expended? How much money was received by bioscience groups to continue? We're looking at the budget; if, say, \$5 million was spent last year, you're anticipating extending it and it's the same next year, we need to know that.

**Ms. Gail Garland:** Through the CAAP program?

**Mr. Michael Prue:** Yes.

**Ms. Gail Garland:** I hope you'll be impressed by how incredibly efficient we are. We ran the CAAP program last year with a very generous grant from the Ministry of Research and Innovation of \$250,000.

**Mr. Michael Prue:** The whole thing?

**Ms. Gail Garland:** The whole thing.

**Mr. Michael Prue:** And you're just asking that this be extended for another year, so—

**Ms. Gail Garland:** We're actually asking to increase it this year, so we can put more companies through the program.

**Mr. Michael Prue:** Okay, but do you want a slight increase, a big increase or to double it? What are you looking at?

**Ms. Gail Garland:** Close to double.

**Mr. Michael Prue:** Okay.

**Ms. Gail Garland:** And that would also more than double the number of companies that we can put through the program.

**Mr. Michael Prue:** All right. So, in terms of a budget of \$130 billion, this is a relatively small amount of money that you're looking for.

**Ms. Gail Garland:** Yes.

**Mr. Michael Prue:** Okay. Well, then that would be my question. I think that's all we need to know.

**The Chair (Mr. Kevin Daniel Flynn):** Great. Thank you, Michael, and thank you for coming, Gail. We appreciate it.

**Ms. Gail Garland:** Thanks very much.

#### CANADIAN RESTAURANT AND FOODSERVICES ASSOCIATION

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation today is Jamie Rilett. Jamie, you're here?

**Mr. Jamie Rilett:** Yes.

**The Chair (Mr. Kevin Daniel Flynn):** Come on forward. Good to see you again, from the Canadian Restaurant and Foodservices Association. Like everybody else, you have 15 minutes. Use that any way you see fit. Introduce your colleague, and the questions this time, if there's time for questions, will come from the government side.

**Mr. Jamie Rilett:** Excellent. Thank you, Chair. Thanks for the opportunity to talk to you today. My name is Jamie Rilett. I'm the vice-president, Ontario, for the Canadian Restaurant and Foodservices Association. With me is Doug McCallum; he's the environment and sustainability manager for the CRFA.

You all know the importance of our industry. We're at \$25-billion in sales a year, 7.5 million visits per day, 425,000 people directly employed in our industry and 90,000 indirectly. One in five youth between the ages of 15 and 24 are employed in our industry, and 22% of Canadians had their very first job in the restaurant industry. This is in addition to the \$9 billion in food and beverage products that are purchased every year.

Despite these successes, there are a number of issues facing our industry. Labour costs, food costs, beverage alcohol systems, pension reform and environmental issues all face us currently.

I'd like to first touch on the minimum wage discussion. We presented to the minimum wage panel, but I do think that it's important to reiterate, because our members are the largest employers of youth, and labour is their highest cost.

The government has challenged the industry to create jobs. We intend to do that. We are the employer of youth and first-time employees. We provide training skills that are valuable throughout their careers. We believe that

artificial and arbitrary minimum wage increases hinder the industry's ability to create these important jobs. We feel that tying the minimum wage to a quantifiable measure such as CPI is preferable to the current method that forces industry to adapt to large increases.

Increases directly lead to a reduction in hours and number of employees, as in some cases it puts businesses in jeopardy. As minimum wage rose at a much greater rate than inflation, we believe a catch-up provision is not necessary, and we would not be able to support a new system if those increases were tied to an artificially higher wage.

In addition, it hasn't been discussed much, but we assert that the current liquor-server minimum wage must be preserved at its current level. That differential allows members to provide higher wages in back-of-house employment. That's easily made up by the tips; they are a significant part of their wages, so much so that our members often say that it's hard to get wait staff to move up to management because they actually have to take a pay cut.

By the same token, the student or under-18 wage differential recognizes the additional training costs inherent in providing youth with their first jobs. We believe that this differential should also be maintained. We look forward to the panel's report on minimum wage in the coming weeks, and look forward to the discussions inherent with that.

On pension reform, we understand that it's not the government's intent, but our concern with raising premiums is that it will hurt the lowest-wage earners. Raising the premiums paid by lower-income earners and their employers will not increase future benefits for these workers, but will reduce their take-home pay and jeopardize their current jobs. We ask the members of the Legislature to consider the effect that higher premiums will have on these workers as well as any potential harm to the economy, as this conversation continues. But we do think this conversation should continue and we welcome the opportunity to have that conversation.

1610

One of the biggest problems in our industry is beverage alcohol. Since 2000, sales in bars and pub establishments are down 31%. This is a significant hit to employees, suppliers and the economy in general. There is a lot of discussion about the beverage alcohol system in Ontario, but most of it centres around the retail outlets. It is important to have a look at the licensee purchase price, which is having a significant impact on the viability of these businesses.

Most people assume that restaurants and bars are able to buy beverage alcohol at a wholesale price; that is, cheaper than the general public. In the case of the LCBO and the Beer Store, this is not so. The LCBO discounts licensees by 5% on all sales, but then they claw back with a 6% licensee markup. We recognize this was reduced in 2006, and that reduction was appreciated. The fact remains, though, that the wholesale prices for all other business inputs are lower than retail, not higher.

This disparity is a direct result of the LCBO system and should be addressed.

The situation is worse for beer purchases through the Beer Store. On a case of 24 beer, for example, our members pay an average of 14% more than the public. In the case of one major brand, our members pay \$14.70 more per case. That's almost 50% higher than the public would pay for the same case of beer. As Ontario has a flat tax system for beer, the price paid by the licensee does not affect government revenues in any way. This all goes to the brewery. I have provided the committee a chart showing this disparity on different brands of the most popular beers. I would ask that this be considered in discussions about the sale of beer in this province, and I would welcome all members to work with us to address the wholesale side of the equation, not simply focus on the retail business.

I do understand there's a social responsibility pricing argument. I submit that that would not be an issue in our industry. After a restaurant factors in all the labour, taxes, building costs and utilities, a licensee would not be able to retail beverage alcohol at a price that threatens the social responsibility price. I don't believe there are any easy answers here, and I don't come to you saying that I have all the answers, but I do think we should have that conversation.

On the environment: Environmental issues are important to our members. That is why we signed on to the Canadian Council of Ministers of the Environment commitment to work towards developing a nationally harmonized system for extended producer responsibility. Unfortunately, Ontario's proposed Waste Reduction Act does not attempt to harmonize the waste management system within Ontario, let alone across provincial boundaries. We encourage Ontario to work with other provinces to standardize these regulations. Our basic premise for any extended producer responsibility program for packaging is that industry control over the program must be proportional to industry's financial responsibility.

I'm keeping this very short so there will be time for questions. In summation, I just want to leave the legislative members with a very basic message: The restaurant and food services industry is important to the Ontario economy. In order to continue to create jobs, the Ontario government needs to recognize the wide range of challenges faced by the industry. By continuing to put up impediments, it only makes it harder to create jobs. Unlike most people you hear from today, we're not coming asking for big asks from this government or from the committee. All we want to do is to be considered when these decisions are made. Our members simply want to continue to play an important part in Ontario's economy and create more jobs for the future. Thank you, Chair, for your time.

**The Chair (Mr. Kevin Daniel Flynn):** Very good. Thank you, Jamie. You've left about six minutes for questions. Who's going to go first? Donna?

**Mrs. Donna H. Cansfield:** Thank you. Hi, Jamie.

**Mr. Jamie Rilett:** Hi.

**Mrs. Donna H. Cansfield:** I'd like to ask a couple of questions. You raised the issue around the minimum wage, and I know we've had a discussion through Michael's issue around tips. I think that's a really important discussion to have. I don't know if you've got any thoughts about that in terms of the minimum wage, where it seems that either the tips are collectively given in and shared with management—they're not kept for the serving staff; that kind of thing—and how you might think around assessing and monitoring that.

I would like to talk to you a little bit about this licensee pricing thing. It also, seemingly, appears different for the liquor stores as well, because I know I've had a number of complaints from restaurants lately that when they buy bulk sales, they get charged an additional amount, and they want to know why.

Those are two, but let's start with the tips thing, the monitoring/assessment.

**Mr. Jamie Rilett:** On the tips—and I recognize Mr. Prue is here, and we did have a good discussion with him—I presented before that committee as well; I think we came to a place that we could all agree. I recognize his hard work on that and thank him for that. I think some of the amendments made to that legislation will help everyone in the long run.

On the liquor pricing, one of the problems on the LCBO side is we have a hard time even knowing what prices we pay.

**Mrs. Donna H. Cansfield:** Oh, great.

**Mr. Jamie Rilett:** You have a 5% discount, then you have a 6% markup, and then there are sometimes service charges. There are sometimes other charges. They just never know exactly what they're paying. The only alcohol product that they actually pay less than retail for would be Ontario VQA wines, where there's a 10% discount and then a 6% markup, so you're saving 4% there. I think that could be extended to other Ontario products, but that's another discussion we can have.

Yes, there's a lot of weird rules. There is, I think, a memorandum of understanding that the liquor store cannot sell any beer product that's available at the Beer Store. So our members aren't even allowed to shop for the best price, because if they want beer in bottles that's available at the Beer Store, they can't buy it at the liquor store, regardless of the price. LCBO—

*Interjection.*

**Mrs. Donna H. Cansfield:** Six packs you can, yes.

**Mr. Jamie Rilett:** LCBO doesn't sell kegs, as well. I think if LCBO got into the keg market, they would find they would have a lot of happy restaurateurs knocking at their doors.

There are a lot of little things that I think we could look at. As I said, I don't think I have all the answers, but I would love to have that conversation and try and see where we could get with this issue.

**Mrs. Donna H. Cansfield:** Well, I know I had the one restaurateur who came in. It was absurd that they had a 5% discount and a 6% markup. It made no sense to them. They were really quite frustrated by the whole process.

**Mr. Jamie Rilett:** Yes. The 6%, as we understand it, replaced a previous—what did they call it? The gallongage?

**Mr. Doug McCallum:** Yes.

**Mr. Jamie Rilett:** The gallongage fee. They reduced it by about half, but just the fact that you still have to pay more than retail—we appreciate that it was reduced in half, saving our industry about \$23 million, but it's also still costing our industry about \$23 million.

**Mrs. Donna H. Cansfield:** The other question I had was about unpaid interns. You have them in your industry as well. I've heard of certain situations where individuals have been told that if they come in and work for a week, "We'll see how it works out. Maybe we'll hire you; maybe we won't." Of course, at the end of the week, they don't get the job; it goes to the next intern, as it were. What are you doing to monitor and assess that position?

**Mr. Jamie Rilett:** We haven't had a lot of complaints on that side. If we did, I definitely would look into it. I think the conversation has to be with the schools. A lot of times, the interns come through the schools. There's a trade-off with work experience. But I do agree: Sometimes that is abused. If there are examples or things that need to be looked at, we'd love to work with you. It's just that they don't always make it to our office.

**Mrs. Donna H. Cansfield:** No, probably because they're young people and they don't think about—usually I hear about it from the parent, more so than through the young person.

**Mr. Jamie Rilett:** Yes.

**Mrs. Donna H. Cansfield:** My last question is this. We had the chamber here, and they spoke about the largest sector being the accommodation, hospitality and tourism sector—that virtually is your sector—in terms of the minimum wage issue and how to deal with it or what's going to be dealt with. I know the panel will be discussing it and bringing down a recommendation. What are your thoughts?

**Mr. Jamie Rilett:** Well, I presented before the panel. What I said is we do understand that minimum wage does have to be adjusted occasionally. Our recommendation is that you start from where it is now and tie it to something like CPI that is manageable, that's predictable for our members and that they can plan for.

**Mrs. Donna H. Cansfield:** Do you think the industry has bounced back enough to even take that on at this time?

**Mr. Jamie Rilett:** That would totally depend on the sector of the industry. Our industry is so diverse. Some would probably be able to accept it, and some just wouldn't. That being said, we understand that there is an employment standards practice that needs to be met. We just want it to be fair and understandable.

1620

**Mrs. Donna H. Cansfield:** Okay. Thank you very much.

**Mr. Jamie Rilett:** Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** There's about 30 seconds left. Anything else? No? Very good, Jamie. Thank you very much for attending today.

**Mr. Jamie Rilett:** Thanks a lot.

#### CUPE ONTARIO

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation of the day is Fred Hahn from CUPE Ontario. Fred, you're sandwiched between the restaurants and the midwives.

You've been here before. You know the drill: 15 minutes. Use that any way you see fit. If there is any time for questions at the end of your presentation, the Conservatives will be asking them.

**Mr. Fred Hahn:** Perfect. Thanks. Good afternoon. I'm Fred Hahn. I'm the president of CUPE in Ontario. CUPE is Ontario's community union. We have 240,000 members in virtually every community, large and small, across the province, most of whom are front-line service providers, the vast majority of whom are women and all too often the lowest-paid workers in the public sector. Our members are proud of the work they do in social services, in health care, municipalities, school boards, universities and in airlines, and we're happy to be here to present to the committee.

For several years, the Ontario government has followed a global trend of cutting corporate taxes and then redirecting resources away from public services to make up for that lost revenue. The result: The Ontario government's program spending is now lower per capita than any other single province in Canada.

So how's that working out for us? Well, we've seen recently that it is not succeeding as a job creation strategy. Although austerity might have been in vogue for a while, it is now being rejected by economists and governments around the world. Austerity failed.

Don Drummond was wrong: Corporate tax cuts have not proven an effective way to stimulate job growth. In Ontario, we've seen that corporations do not use their tax-cut windfalls to create jobs or for capital investment or for research and development. Instead, they are stashing away billions in cash reserves. Mark Carney told us that a couple of years ago, but it has just been recently confirmed again in an annual report by the Task Force on Competitiveness, Productivity and Economic Progress.

Ontario has lived through successive budgets that have reduced program spending, sometimes through a direct cut; other times, through budgets that just didn't keep pace. We have to admit it: With a growing and aging population and an inflationary economy, even nominal program spending increases seen sometimes in some programs have not been sufficient to avoid a real reduction in services available for Ontarians. A cut by any other name is still a cut. And either way, the results have been negative. Promised job growth has not materialized. More and more Ontarians are working in multiple minimum or low-wage jobs in order to cobble together a living for their families. Waiting lists for services like

child care and affordable housing continue to grow. In developmental services, just for example, the field in which I worked, the wait-list now is close to 24,000.

The OECD has a study entitled *How's Life?* It shows that income equality is a leading indicator of well-being, of whether a population is happy. But, in Ontario, the inequality gap is actually growing. A small and very wealthy group is becoming ever more wealthy, while the vast majority of us are becoming less and less well off. As that gap grows, Ontario suffers.

We think of Ontario's provincial budget as a table underpinning the economy, and we believe that table needs four strong and balanced legs. We think we need to:

- (1) preserve and strengthen public services;
- (2) generate new revenue through fair taxation;
- (3) stop wasting public money on privatization; and
- (4) fight poverty and create jobs.

The first leg: Strong public services create an environment that is attractive to business and workers alike. At the same time, it also helps to ensure a fair and equitable society. Investments in public services and social infrastructure have real, tangible returns for the province. Those returns far outstrip any from corporate tax cuts. A million dollars in corporate tax cuts only nets about three new jobs and less than half a million dollars in GDP growth. That same million dollars invested in child care creates 40 jobs and about \$2.3 million in GDP growth. Our economy is people; let's invest in people so that our economy can grow. How will we find the money to invest? Fair taxation.

Ontario is not spending too much; it's earning too little. We don't have a spending problem, we have a revenue problem. In successive budgets, government corporate tax cuts have now got us to the point where we have the lowest corporate tax rate since the 1930s. It's why we're pointing to fair taxation as the second leg of a strong budget table. It will restore a balance for the responsibility for funding government services. Increasingly, that revenue burden has been unfairly concentrated on the shoulders of individual Ontarians. It's time to restore corporate tax levels so that companies who reap real benefits from Ontario's public services and infrastructure and resources pay their fair share.

Our submission details how government could generate new revenue of more than \$10 billion annually, rising to \$12 billion to \$13 billion by 2018-19. By restoring tax fairness and growing the economy through investments in public services and social infrastructure, revenue will also increase. We can and must grow our way to prosperity. At the same time, we have to be sure that we're wise in what we invest.

One disturbing trend has been the government's pre-determination to pursue P3s. Like the Harper government in Ottawa, there has been a belief that shifting service delivery to the private sector, doing infrastructure development through public-private partnerships will somehow save taxpayers money without sacrificing accountability; it's just not so.

Ontario has wasted billions on the government's affinity for public-private partnerships and privatization schemes. Just look at what we have lost in the cancellation of gas plants, the Ornge air ambulance scandal, the eHealth fiasco and billions more wasted on P3 capital projects like the Brampton hospital and Ottawa's failed arena project. And we don't need to remind anyone how many billions Ontario continues to lose because of the privatization of the 407. Privatization and P3s don't save government money. They shift services and facilities out of public hands, reduce control and redirect public money to corporate profits.

The final leg of the plan is to fight poverty and create jobs. As we noted earlier, income inequality is the leading cause of public discontent. We need to stop turning our back on the poor and focus our attention on restoring and enhancing programs that reduce poverty and inequality. We need to raise the minimum wage so that a person working full-time or working two or three part-time jobs isn't living below the poverty line, and we need to restore social assistance rates so that families have a real chance to escape the poverty trap.

There's one thing we know for certain: Increasing the wages of the lowest-paid workers provides a direct stimulus to the economy. These are people who spend what they earn, and they do so in their local communities. That's good for business and good for society. But even middle-income earners are finding it harder and harder to make ends meet, and freezing wages combined with ever-increasing costs is only making that worse.

The poverty-reduction and job-creation measures proposed in our submission will not only create a happier Ontario, but will ensure that more Ontarians are able to fully participate in our economy, thus stimulating the growth we all want.

The 2014 Ontario budget presents an opportunity to turn away from the failure of austerity in a meaningful way, by supporting a strong economic table with four strong legs and ensuring a place at that table for everyone in Ontario.

We encourage you to read our submission in detail because there is a series of detailed recommendations in it.

We're happy to take any questions.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Fred. You've left about five minutes for questions.

Vic?

**Mr. Victor Fedeli:** Fred, thank you for your presentation. It's always a pleasure. I have to say, though, I was surprised at a couple of the arguments that you made that don't quite line up with the published budgets or the Auditor General's statements.

You mentioned that the corporate tax cuts resulted in lost revenue. I have two things on that. The corporate tax cuts weren't finished; they weren't consummated. Two budgets ago, you'll recall that although they were scheduled to be reduced from 11.5% to 10%, the deal that was made between the NDP and the Liberals froze that at a high 11.5%. So the corporate tax cuts have not been

completed. They in fact are on the way up, with the new Liberal plan to add half a per cent to the corporate tax rate to put it at 12%, above the 11.9% of Quebec, making us obviously one of the highest tax regimes in the country.

**1630**

You mentioned that we lost revenue, but again, that doesn't quite line up with the budgets of the province of Ontario. We're spending \$125 billion, albeit we take in less than that—we're deficit spending. But revenues are actually at their highest point today. So corporate tax cuts that never happened yet and revenue that's actually higher is quite a different story. I would suggest to you that when you say Ontario is not spending too much and we're taking in too little, I would propose to you, Fred, that we do indeed have a spending problem. We've spent an all-time high in the history of our province, so it's a spending problem we have, not our revenue, which has increased every year.

I'm giving you an opportunity to rethink what you had suggested to this committee.

**Mr. Fred Hahn:** I appreciate that. Let me just try to be more clear about what it is we're saying.

Look, our province is growing in population. It is an aging population and there are inflationary costs. It is not unreasonable, then, that costs to deliver services and the work that government does on behalf of all of the citizens of the province might increase.

The reality of what we do, how we make a plan to deal with the challenges of our economy, is what we're trying to bring forward here. While there had been this belief that if we cut corporate taxes, we will simply increase revenue, what our brief shows—and you'll see that it's based on a number of other economists; it wasn't us who came up with this stuff. It demonstrates that actually, cutting corporate taxes doesn't generate new jobs in the same way that investing in services would. What we're saying is, look, we think that we have the lowest corporate tax rates we've had since the 1930s. It's actually not creating jobs. Our job numbers are showing that in a lot of different ways. We believe that a new direction is required, and that's the heart of one of the proposals we're making to the committee.

**Mr. Victor Fedeli:** Fred, I can't disagree with the first part of what you've said, that we have an aging population, we have a growing population, and proper care is going to be required. I don't think anybody in this room, in this city or in this province would disagree with that.

I guess you would call me a supply-sider as well. There are two philosophies of those economists, one that says, "Let the government tax everybody. They'll choose how to put the money into the economy and hopefully the economy will rise." What we've seen with the high taxes in Ontario and high spending, deficit spending, is that it didn't create the jobs. The other side of the economists, the side that I would fall in, I presume, would say that you lower your taxes and allow business, then, to create jobs and to put that money back into the economy, which returns greater jobs. Those are really the two sides of it.

We're going to be philosophically opposed—there's no hesitation to say that—but I think we can agree that we both want to see a better Ontario, that there's certainly great room to improve, and that there is an aging and a growing population that needs care. Would you at least concur with that?

**Mr. Fred Hahn:** Sure.

The challenge of the philosophy that you hold is that it's just not working, and all the data for the last decade shows it.

**Mr. Victor Fedeli:** Sadly, we haven't tried it in the last decade. But thanks, Fred.

**Mr. Michael Prue:** He wants to go further.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much for coming.

#### ASSOCIATION OF ONTARIO MIDWIVES

**The Chair (Mr. Kevin Daniel Flynn):** Our last delegation of the day is from the Association of Ontario Midwives, Ellen Blais. Ellen, if you'd like to come forward. Make yourself comfortable. Like everybody else, 15 minutes; you can use that any way you see fit. If there's any time left over from your presentation, the final questions of the day will come from the New Democrats.

The floor is yours.

**Ms. Ellen Blais:** Okay. Thank you for having me here today and waiting me out until the end of the day. My name is Ellen Blais and I am an aboriginal midwife from Oneida Nation of the Thames. I'm co-chair of the national council of aboriginal midwives and I'm a policy analyst in aboriginal midwifery at the Association of Ontario Midwives.

I have seen first-hand for the past 20 years in my front-line work the devastating impact that colonization has had on the health and well-being of our nations. However, we stand strong and want to be healthy and well. I believe that culturally safe care from the beginning of pregnancy and into the postpartum with aboriginal midwives in our communities is integral to the unfolding story of hope for healthy communities across this province.

We urge the Ontario government to make funding available through the existing Ontario Midwifery Program, which is under the Ministry of Health, to aboriginal midwives who provide care in aboriginal communities. The immediate cost to the province would be approximately \$1 million, and the impact on improved health outcomes for mothers and babies and their families would be tremendous and immeasurable.

Midwifery became a regulated profession in Ontario in 1994. However, at the same time, an exemption was created in the Midwifery Act in Ontario to enable aboriginal midwives to provide care in aboriginal communities without seeking registration. Since 1996, aboriginal midwives have led an exemplary and safe model of care at Six Nations reserve, near Brantford, Ontario, funded through the Aboriginal Healing and Wellness Strategy.

This model of care has served as an inspiration and best practice for interested communities around the world.

Since 1994, registered midwives have been able to access funding through the Ontario Midwifery Program at the Ministry of Health and Long-Term Care. However, aboriginal midwives have not been able to access funding from the Ontario Midwifery Program. Thus, they have not been able to provide the care that is so desperately needed in their communities across the province.

We urge government to make a commitment to aboriginal midwives and the women and families we serve by allocating funds for aboriginal midwifery in this budget. The process and mechanisms already exist through the Ministry of Health for midwives to apply for funding to provide services delivered by registered midwives in the communities across Ontario. This existing mechanism could easily be amended to encompass aboriginal midwives working under an exemption, creating a separate parallel process for funding midwifery care delivered by aboriginal midwives.

The number of aboriginal midwives working under the exemption is very small, as the education program at Six Nations graduates about one aboriginal midwife per year. In Ontario, that we are aware of, there are currently three midwives who have graduated from the program that are in immediate need of funding in order to provide comprehensive midwifery care to their communities in places such as Tyendinaga and Akwesasne. The dollars that we need are small, but the impact this investment would have on the health and well-being of aboriginal women and their newborns both on- and off-reserve would be profound.

Enabling aboriginal communities in this province to access care provided by competent, well-trained aboriginal midwives allows for access to care that is close to home and culturally responsive, and that leads to safe outcomes for both moms and babies. Moreover, the health care system benefits cost-wise when women do not need to be evacuated from their communities, such as the ones up north, which happens in northern Ontario, and can receive safe care with less medical interventions in their own communities. As well, one of the future benefits would also include inspiring young women to become midwives themselves, where they can see births happening in their own communities and, at the same time, learn the traditions and ceremonies that are so integral to the health of our nations.

In my own experience, I have seen the impact on the health and well-being of families who are able to make their own decisions regarding their own health during pregnancy and into the postpartum. The ability to make culturally informed decisions helps women make better choices for themselves, and reduces the number of babies coming into care by child welfare.

1640

Women feel proud of their identity once they begin to learn about the ceremonies that always existed throughout time, and that are now being brought forward once again. Families become healthier and less dependent on

the health care system. Women, as caretakers of the land and waters and of their bodies, are what connect aboriginal women to their communities, and ultimately to the health and well-being of our nations.

Every year, the Ontario midwifery program announces funding for the much-needed expansion of registered midwifery services in Ontario. In addition, we strongly urge government to ensure that, through this budget, an announcement for funding midwifery services delivered by aboriginal midwives can also be made this year.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you.

**Ms. Ellen Blais:** Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** You've left about eight minutes for questions. Jonah?

**Mr. Jonah Schein:** Ellen, thanks for coming, and thanks for your presentation. I'm feeling very lucky right now in that my partner and I have a midwife. We're expecting our first kid in the spring, but we were lucky. We put our name on the list in Toronto pretty much as soon as we found out.

It strikes me as we go through the process just how lucky we are to have somebody to walk us through that, to give information to us, but it also strikes me that it's out of reach, even in Toronto, to a huge number of people; and disproportionately, people who are disadvantaged, as well, don't have the same access to midwifery in Toronto, so I can't even imagine what it's like outside of major urban centres.

**Ms. Ellen Blais:** Yes.

**Mr. Jonah Schein:** From a cost perspective, in places like northern Ontario, what is happening right now if you live in a remote community? Describe what's happened to a woman who's eight and a half months pregnant, for example, in northern Ontario.

**Ms. Ellen Blais:** Well, right now, women have to be flown out. You know that a lot of the aboriginal communities in the north are fly-in communities, right? So, they have to be flown out well before their due dates.

The NIHB, which is the national health insurance for aboriginal people, flies women out to the nearest tertiary centre for prenatal and postpartum care, but they don't pay for anyone to go with these women—unless you're under 16 years of age, and then they will provide an escort to go down with those women on the plane, and it costs \$10,000 per plane ride to get women down to the main areas in the northern communities.

A lot of those women are subjected to family violence. All of the sequelae of residential schools are happening in our communities. A lot of these women are lying about their due dates and things like that, so they don't actually have to leave their communities, and they have their babies up there, where it's really not the safest for them. They don't want to leave their families behind, leaving partners who are violent and so on to their families.

So, we're saying that midwifery—aboriginal midwives in aboriginal communities—would be very cost-effective in this case, if we had women up there delivering babies in communities in a culturally safe and appropriate manner.

**Mr. Jonah Schein:** Women are leaving other children at home with—

**Ms. Ellen Blais:** They would leave other children at home with family who may not necessarily be safe to leave their children with, so it's really difficult for them to make those kinds of decisions.

**Mr. Jonah Schein:** And your budgetary ask is how much?

**Ms. Ellen Blais:** One million dollars.

**Mr. Jonah Schein:** And what would that deliver?

**Ms. Ellen Blais:** Right now, that would assist and be able to provide those two to three midwives who are now looking for money to start practising to be able to practise.

**Mr. Jonah Schein:** In the past, we've heard from midwives recently about pay equity. Do you have any thoughts about that right now?

**Ms. Ellen Blais:** I don't right now. That's not what I've come here to talk about, and I'm actually focusing more on the aboriginal midwives, rather than the general population of midwives in Ontario.

**Mr. Jonah Schein:** And the pay for aboriginal midwives, is it comparable to—

**Ms. Ellen Blais:** Right now, it's slightly below. They're on a salary basis at Six Nations right now. It's slightly below what midwives are making under the Ontario Midwifery Program.

**Mr. Michael Prue:** If I could just ask, because a million dollars doesn't seem like very much—

**Ms. Ellen Blais:** It's not.

**Mr. Michael Prue:** —this is just for three reserves, or three First Nations communities?

**Ms. Ellen Blais:** That's right. It's for three different First Nations communities right now.

**Mr. Michael Prue:** And, if this is successful, would the plan be to send it to other ones?

**Ms. Ellen Blais:** Yes.

**Mr. Michael Prue:** Particularly those in northern Ontario, because Tyendinaga and Six Nations are right

on Lake Ontario, pretty much. They're right at the bottom. They're in very populated areas.

**Ms. Ellen Blais:** That would be our hope, to extend it and implement it in all the aboriginal communities across Ontario.

**Mr. Michael Prue:** And how would you train midwives in northern communities? That's a problem, getting schooling into northern communities, no matter what it is. Never mind midwifery; anything at all is difficult.

**Ms. Ellen Blais:** Yes, yes. Right now Six Nations has a training facility, and we're hoping that we could possibly fund or somehow find a way for them to come down, learn how to be midwives there and then go back to the communities they want to go to.

**Mr. Jonah Schein:** Midwifery care is done after the baby is born, as well?

**Ms. Ellen Blais:** Midwifery care is done during pregnancy, during the inter-partum, which is at the birth, and also six weeks postpartum.

**Mr. Jonah Schein:** So six weeks after.

**Ms. Ellen Blais:** Yes.

**Mr. Michael Prue:** Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Very good. Thank you, Ellen, for coming. That was very interesting.

**Ms. Ellen Blais:** You're welcome. Thank you very much for listening.

**The Chair (Mr. Kevin Daniel Flynn):** You're our last delegation of the day.

Thank you to the members. Thank you to the presenters. We managed to see 29 delegations today. Thank you all for your attention.

A reminder to the members who are travelling to Sarnia on Sunday: The plane is scheduled to leave Toronto from Skyservice/Esso Avitat at 3 p.m. The Clerk will send you out a reminder about that tomorrow.

I'm adjourning this committee to Sarnia.

*The committee adjourned at 1645.*







*Continued from back cover*

Registered Nurses' Association of Ontario .....	F-646
Ms. Doris Grinspun	
Career Colleges Ontario .....	F-648
Mr. Craig Donaldson	
Wellesley Institute.....	F-650
Mr. Steve Barnes	
Ontario Federation of Agriculture.....	F-652
Mr. Mark Wales	
Mr. Ted Cowan	
Gamma-Dynacare Medical Laboratories .....	F-655
Ms. Naseem Somanı	
Elementary Teachers' Federation of Ontario .....	F-656
Ms. Susan Swackhamer	
Ontario Bioscience Innovation Organization .....	F-658
Ms. Gail Garland	
Canadian Restaurant and Foodservices Association.....	F-661
Mr. Jamie Rilett	
CUPE Ontario .....	F-663
Mr. Fred Hahn	
Association of Ontario Midwives .....	F-665
Ms. Ellen Blais	

#### **STANDING COMMITTEE ON FINANCE AND ECONOMIC AFFAIRS**

##### **Chair / Président**

Mr. Kevin Daniel Flynn (Oakville L)

##### **Vice-Chair / Vice-Présidente**

Ms. Soo Wong (Scarborough–Agincourt L)

Mr. Steven Del Duca (Vaughan L)

Mr. Victor Fedeli (Nipissing PC)

Ms. Catherine Fife (Kitchener–Waterloo ND)

Mr. Kevin Daniel Flynn (Oakville L)

Mr. Douglas C. Holyday (Etobicoke–Lakeshore PC)

Ms. Mitzie Hunter (Scarborough–Guildwood L)

Mr. Monte McNaughton (Lambton–Kent–Middlesex PC)

Mr. Michael Prue (Beaches–East York ND)

Ms. Soo Wong (Scarborough–Agincourt L)

##### **Substitutions / Membres remplaçants**

Mr. Bas Balkissoon (Scarborough–Rouge River L)

Mrs. Donna H. Cansfield (Etobicoke Centre / Etobicoke-Centre L)

    Mr. Rod Jackson (Barrie PC)

    Mr. Jonah Schein (Davenport ND)

##### **Clerk / Greffier**

Mr. Katch Koch

##### **Staff / Personnel**

Ms. Susan Viets, research officer,  
Research Services

## CONTENTS

Thursday 16 January 2014

Pre-budget consultations .....	F-599
Canadian Federation of Independent Business .....	F-599
Mr. Plamen Petkov	
Ms. Nicole Troster	
Central 1 Credit Union.....	F-601
Mr. Kelly Harris	
Mr. Kelly McGiffin	
Ms. Sheryl Wherry	
Music Canada.....	F-604
Mr. Graham Henderson	
Ontario Pharmacists Association .....	F-606
Mr. Carlo Berardi	
Mr. Dennis Darby	
Ontario Home Builders' Association .....	F-609
Mr. Joe Vaccaro	
Mr. Mike Collins-Williams	
Income Security Advocacy Centre.....	F-611
Ms. Jennefer Laidley	
Canadian Fuels Association .....	F-614
Mr. Eric Bristow	
Ontario Chamber of Commerce .....	F-616
Ms. Andrea Holmes	
Mr. Liam McGuinty	
Consulting Engineers of Ontario.....	F-619
Mr. David Zurawel	
Ontario Federation of Labour.....	F-622
Mr. Sid Ryan	
Ontario English Catholic Teachers Association.....	F-624
Mr. James Ryan	
Mr. David Church	
Co-operative Housing Federation of Canada .....	F-626
Ms. Nicole Waldron	
Mr. Harvey Cooper	
Toronto Mental Health and Addictions Supportive Housing Network .....	F-629
Mr. Noel Simpson	
Ms. Jean Stevenson	
Ontario Health Coalition.....	F-631
Ms. Natalie Mehra	
Federation of Rental-housing Providers of Ontario .....	F-633
Mr. Mike Chopowick	
Trillium Automobile Dealers Association .....	F-636
Mr. Frank Notte	
Ontario Nurses' Association .....	F-638
Ms. Vicki McKenna	
Mr. Lawrence Walter	
Canadian Automobile Association.....	F-641
Mr. Elliott Silverstein	
Ontario Long Term Care Association .....	F-643
Ms. Candace Chartier	

*Continued on inside back cover*

CH2ON  
XC25  
F31

F-23



F-23

ISSN 1180-4386

**Legislative Assembly  
of Ontario**

Second Session, 40<sup>th</sup> Parliament

**Official Report  
of Debates  
(Hansard)**

Monday 20 January 2014

**Standing Committee on  
Finance and Economic Affairs**

Pre-budget consultations

**Assemblée législative  
de l'Ontario**

Deuxième session, 40<sup>e</sup> législature

**Journal  
des débats  
(Hansard)**

Lundi 20 janvier 2014

**Comité permanent des finances  
et des affaires économiques**

Consultations prébudgétaires



Chair: Kevin Daniel Flynn  
Clerk: Katch Koch

Président : Kevin Daniel Flynn  
Greffier : Katch Koch

### **Hansard on the Internet**

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. The address is:

<http://www.ontla.on.ca/>

### **Index inquiries**

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.

### **Le Journal des débats sur Internet**

L'adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance est :

### **Renseignements sur l'index**

Adressez vos questions portant sur des numéros précédents du Journal des débats au personnel de l'index, qui vous fourniront des références aux pages dans l'index cumulatif, en composant le 416-325-7410 ou le 325-3708.



## LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON  
FINANCE AND ECONOMIC AFFAIRS

Monday 20 January 2014

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES FINANCES  
ET DES AFFAIRES ÉCONOMIQUES

Lundi 20 janvier 2014

*The committee met at 0900 in the Holiday Inn, Sarnia.*

## PRE-BUDGET CONSULTATIONS

**The Chair (Mr. Kevin Daniel Flynn):** Okay, let's call the meeting to order. Almost everybody is here, I think, and I'm sure they'll be here very shortly. Welcome to Sarnia.

## MUNICIPALITY OF BROOKE-ALVINSTON

**The Chair (Mr. Kevin Daniel Flynn):** Our first delegation is the municipality of Brooke-Alvinston, Don McGugan. Your Worship, if you'd like to come forward. Make yourself comfortable. Every delegation gets 15 minutes. Use that in any way you see fit. If there's any time left over, the questioning will begin from the Conservative Party this time.

**Mr. Don McGugan:** Well, thank you ever so much, Mr. Chair. I have a little bit of an eye problem, and I would ask you if you would just tell me when I have two minutes left of the 10 minutes, because I would like to take questions.

**The Chair (Mr. Kevin Daniel Flynn):** Perfect.

**Mr. Don McGugan:** Anyway, first I want to say, on behalf of Sarnia-Lambton, a warm welcome. I know it's pretty fresh out there this morning, but a warm welcome to you. It is a great community, with over 100 miles of shoreline and river line for the summer cottages.

Who am I? I am Don McGugan. I'm the mayor of Brooke-Alvinston. My ancestors came to Brooke-Alvinston in 1850 from the Isle of Skye because there was no money and no work; all there was was sheep. So they came here, and it's only been better ever since. So a little profile.

In your package that we made up, you don't have everything, but anyway, there are my comments; I will vary from them. I didn't bring quite enough. Being of Scotch background, I only made so many of these, but there is a video of our municipality. It's called a promotional video. I do ask you to take a minute—it's three and a half minutes long, if you'd take the time to look at it. It tells a little bit about our history, where we are and where we hope to go to.

My next little booklet here is on the oil industry in Canada or North America. I don't know whether you're all aware or not, but the very first oil well was found in

Oil Springs, about half an hour from here. It's the very first one in North America. It was 1858.

Now, there's a really interesting history here. In 1862, there were 36 wells that gushed oil. They could not control it. There were estimated to be approximately five million barrels of oil that ran down Black Creek to the St. Clair River, and am I ever thankful that I wasn't there. I'm also thankful that there was no MOE, or we perhaps would not have any Chemical Valley as of today.

Now, on your desk, each one of you got a very small jar of honey. That is from Munro Honey in Alvinston. They are the largest honey producer in eastern Canada. They are also the first producer of mead—mead is wine made from honey—in Ontario.

At the end of my presentation, I have a beautiful bottle of blackcurrant wine that I will present to the Chair. I do ask the Chair to share it with each one of you, but maybe you'd better wait until the end of the day, because it is very potent.

**Mr. Michael Prue:** At 2 o'clock.

**Mr. Don McGugan:** At 2 o'clock? All right. Anyway, I will present that.

Anyway, it's just great that you came to Lambton county. I know I've got a lot of issues in here that I want to talk about, but I am just going to talk for a moment about the county of Lambton and the city of Sarnia. There are about 500,000 acres of arable land in Lambton county. We grow corn, beans, soybeans and wheat, and we grow a few edible beans that basically go to Japan—very productive; a lot of young men and ladies, young farmers that produce.

Some of my colleagues are presenting later today, like Kevin Marriott, mayor of Enniskillen. That's where oil was found: in the township of Enniskillen in 1858. We also produce a little bit of tobacco. That may be the wrong word, but it's still a legal substance—a little bit of that. We have some grapes, we've got some wineries, we've got some cherries and we've got some apples. We are very diverse.

Again, because of the oil, we have Chemical Valley. Chemical Valley was a great place to work. I spent 34 years at Dow Chemical and I farmed all my life, but the sad story is that there is not one employee of Dow Chemical left in this great province. That's really sad. When I was there, at the heyday, there were 1,650 employees.

In your package you will see that there are some maps. I do ask you to take a look. There's one of Lambton

county. There's also one of the municipality of Brooke-Alvinston, which I represent. Brooke-Alvinston is a very rural municipality, with lots of very productive, enthusiastic, motivated men and women. We produce an awful lot of a variety of crops, and I will get into a little more about the honey, and also about our abattoir.

I want to say thank you for all the support that all the governments, from the late 1980s right through to today, have given to small municipalities. We've had some water lines, we've had some sewer lines and we've had some road upgrades, so we do say thank you.

I do understand that the Ontario government has uplifted some funding from the county, but my concern is that my OMPF funding in the municipality of Brooke-Alvinston—in 2013, we got \$1,629,000. At the end of November, on a Thursday, I got a nice little email saying we'd be cut by a projected \$244,000 for 2014. Oh, dear. This isn't good.

Then, on the Tuesday, right after the Thursday, I get a beautiful letter—"Dear Don"—from the Lambton county policing group. We are policed by the OPP. I have no problem with our policing by the OPP, but it said, "Due to circumstances beyond our control, your costs are going to go up 8.2%." That's \$48,000, so that takes my costing up to \$648,000 for 1,034 homes. It works out to \$574 per household. When I take the \$244,000 that I'm missing plus the \$48,000 that I've got to add—it's got to come from somewhere—I'm short about 23% of the money that I had to spend last year.

Where I come from, we are limited. We don't have control over our hydro or our gas at our arena—we've got a lot of great sports going on. Really, our wages are controlled by the people around us, so here we are with all these fixed costs. Where we have to cut will be on our roads.

To talk about roads: Our agricultural community is having fewer farms. The farms are getting bigger and the equipment is getting bigger, so it does create a real challenge for us. I realize that our government has some challenges on money, but I also think that we need to take a look at where we are and how we can make it better, because we are very innovative.

I'm just going to talk a little bit about Munro Honey. Munro Honey is 100 years old this year. It has only had two owners: the founder and the family we have today. They are the largest bee and honey producers in eastern Canada. They export bees all around the world.

They got into the wine business about 10 years ago, and it has been a really good business for them, but they can't get into the LCBO. They can get in, but they can't afford to get in. There are just rules after rules. So, they do ship—

*Interjection.*

**Mr. Don McGugan:** Two minutes left? Whoa!

**The Chair (Mr. Kevin Daniel Flynn):** Two minutes left until you've got five minutes left.

**Mr. Don McGugan:** Oh, I've got five minutes left? Okay.

They do ship to Michigan, Japan and Great Britain. I'm not sure how we can overcome it, but it is a great

business, and I know that there have been some bottles of this wine in the House in Toronto. I'd ask you to take a look at that.

The Premier recently announced that VQA producers could sell wine at farmers' markets this coming summer. We have three wineries in Lambton county: Munro's, Twin Pines and a brand new, great winery at Camlachie, which is about 15 minutes from here. They're unable to sell. What I'm saying is, why can some wine producers sell and why can some not? These are some of the rules I do ask you to take a look at.

I'm also very fortunate to have a small abattoir in my community. He has gone through some challenges over the last couple of years. I visited with him last week, and he tells me that, up until last year, he was able to provide all the meat to a local hospital, and that was Strathroy. As of now, he cannot. Now, there's something to do with CFI and the Ontario government; I'm not sure what it is. His wife, who works right beside him, spends about half her time filling out paperwork—just the rules and regulations.

**0910**

As I mentioned before about our economy and where we are, in my presentation here, at the back, it does say—there are two extra pages that were added yesterday because I did get a copy of AMO's request, and you, I believe, met with AMO last week. I had some of the same things in my presentation as what AMO had mentioned. One was arbitration. Neither AMO nor myself mentioned planning. I would ask you to at least take a look at our planning in Ontario. Only 3% of our land is agriculture, and it's the finest agricultural land in the world. Let's preserve it. I'm not opposed to growth; I do think we have to have growth, but we also have to preserve the great land that we've got. So I ask you to at least think about that in your planning as you look down the road.

Then, I've had the privilege and opportunity to sit on Lambton county council for the last number of years, and I am amazed about the rules that come through and our nursing homes. I think we do a great job. We try to stretch our dollars, but there are just rules after rules. There's paper—a year ago, I had to hire an extra person just to get the paperwork in on time. I think we had six weeks or the possibility of our funding would be cut back or limited. So I just think our rules are a challenge.

Now, I haven't got much time left. I just want to talk about energy costs for a second. We shut down the Lambton generating station. I'm not opposed to alternative energy; I think there's a place for it. But when it was the most efficient and the cleanest-burning coal plant in North America, I just question it.

I was at a seminar recently where I was told that Quebec and Manitoba energy rates are exactly half of ours. We are 20% above Michigan.

In conclusion, I just want to say that I think we should play the game the way they play it. New York state last week—I didn't see it. Our CAO, who has an apartment in Alvinston, has a dish, and New York state was saying,

"Come to New York state. We'll give you free taxes for 10 years." So I think if we have to be competitive, we have to meet the challenges that other jurisdictions have. If that's giving a break on taxes, water, developmental charges, hydro, whatever—let's get the jobs here and then the 10 families that that employs will spend every cent here and they'll be happy to spend it here.

That's a summary of what I have had to say. There is more information here about our county and agriculture. It's a great summer land.

How much time have I got left, sir?

**The Chair (Mr. Kevin Daniel Flynn):** You've got about three minutes for questions.

**Mr. Don McGugan:** Okay. I'd be happy to take questions, because I find that the most interesting. Chances are I can't answer them.

**The Chair (Mr. Kevin Daniel Flynn):** The first question is coming from Monte. Go ahead.

**Mr. Monte McNaughton:** Great. Thank you very much, Mayor McGugan, for coming in. I'm proud of the work that you do in Brooke-Alvinston and Lambton county.

I just wondered if you could talk a bit about the arbitration system and your feelings on reforming it.

**Mr. Don McGugan:** Well, yes. I put it in here. I just mentioned it in a bullet about arbitration, that I really think that we should take a look at arbitration and what the community can pay. Now, I got involved in the county in some arbitration cases involving nurses. We do need nurses; they need to be well paid. I don't want their job.

I'm going to give you one more example. I believe it was Red Lake where they had six firemen on and there was an arbitration case. The arbitrator gave the—I forgot what the exact cost was. They had to lay one fireman off to pay the other five. So I do ask you to take a look at the arbitration.

Also, while I'm talking, about the insurance—I believe that's been on AMO's list for a number of years. Did I answer your question?

**Mr. Monte McNaughton:** Yes. That's good. And one other thing I wanted to ask: As a rural mayor, what's your opinion on the recent long-term energy plan where the current government is proposing to triple the amount of wind turbines and wind power in the province of Ontario?

**Mr. Don McGugan:** Well, I'm confused a little bit. I have four turbines in Brooke-Alvinston. They are there and they've been running there for two and a half years. I believe there is a place for wind turbines, but I don't believe that they should be in a residential area. There are lots of places in the province where they could be used. But they are only 28% efficient, so I do have a concern there that we are paying that much for our power, when I believe LGS was making it for about three cents a kilowatt.

**Mr. Monte McNaughton:** And if you could just reiterate the figures: When it comes to the OMPF funding cuts, how much did you say again per taxpayer that is going to cost?

**Mr. Don McGugan:** Well, they cut \$244,000 and then they added the \$48,000 in; that comes to \$292,000. That's 23% of money that I don't have to spend that I did have last year.

I realize that you cut, as I say—it was cut 15%, and I did talk to a cabinet minister last year at the chamber. The Sarnia chamber had a day down at the Legislature. I went down. I did talk to a cabinet minister and I did mention to him about my concerns in small rural municipalities. He did tell me that the intent was not to cut the small, rural municipalities—I believe some cities have gone up significantly.

**Mr. Monte McNaughton:** No, but how much—sorry—per household did you say again that the taxes would go up?

**Mr. Don McGugan:** Oh, the household cost was \$574 per household for policing costs.

**Mr. Monte McNaughton:** Oh, just for policing.

**Mr. Don McGugan:** Yes. I did attend the policing meetings in Chatham, and I realize it's changing in 2015. I think our costs are going to come down, but nobody can verify that. As a farmer, I always think my costs are going to go down and my profits are going to go up.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much for coming this morning, Your Worship.

**Mr. Don McGugan:** Thank you for giving me this privilege. I've got to make sure you get this wine. Please wait until 2 o'clock, though.

**The Chair (Mr. Kevin Daniel Flynn):** Well, bring it that way or Prue will grab it, so bring it around this way.

*Laughter.*

**Mr. Don McGugan:** Should I give it to the Clerk, maybe?

*Interjections.*

**The Chair (Mr. Kevin Daniel Flynn):** There's wine on the flight now, Mike.

*Interjections.*

**The Chair (Mr. Kevin Daniel Flynn):** Okay, ladies and gentlemen. Thank you, Your Worship.

#### LONDON HEALTH COALITION

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation this morning is from the London Health Coalition. Peter and Jeff, are you here? If you'd like to come forward and make yourself comfortable. Like everybody else, you've got 15 minutes. Use that any way you see fit. If you could introduce yourself when you speak for Hansard. The floor is yours. The questions this time will come from the NDP.

**Mr. Peter Bergmanis:** Thank you, Mr. Chair. I am Peter Bergmanis. I am the co-chair of the London Health Coalition. I am joined by my other two co-chairs today. On my left here is Shirley Schuurman, and my other co-chair, Jeff Hanks, is in the back there taking some video footage of this, and I hope there is no issue with that.

Sorry; if I had known that it was customary to bring some gifts, I would have done so.

*Laughter.*

**The Chair (Mr. Kevin Daniel Flynn):** That's right. If there's no wine, you can't speak.

**Mr. Peter Bergmanis:** But since we're dealing with health care issues here, maybe we'll keep the alcohol out of it.

As you can see, we are representatives of the London Health Coalition, which is in the broader context of the umbrella group known as the Ontario Health Coalition. Our mission, as a constituent member of that coalition, is to protect and improve our public health care system. We work to honour and strengthen the principles of the Canada Health Act. We are led by the shared commitment to core values of equality, democracy, social inclusion and social justice, and by the five principles of the Canada Health Act, which are universality, comprehensiveness, portability, accessibility and public administration. We're a non-partisan public interest group, and we work together as a coalition with other interested parties that have concerns similar to our own.

We note in the budgetary process this year—and we appreciate the fact that this year it's a pre-budget hearing and not a post-budget hearing—that the government has announced plans to bring in new legal regulations to expand the use of private clinics, called independent health facilities, or IHFs; that is, to take hospital services out of our community hospitals. The proposal is to begin to implement these plans over the next six months. These changes would expand the use of private clinics and the transfer of hospital services out of public hospitals into these clinics. The LHINs would have the power to transfer services all the way through.

The Health Coalition strongly recommends that IHFs not be expanded. Indeed, they should be reduced and services integrated into the public system. At issue is the existing ability of the province to work with local hospitals to set up non-profit specialty clinics under the quality and performance rubric of the Public Hospitals Act. There is no need to expand the use of independent health facilities, and the evidence is that these facilities already have serious oversight problems regarding cost, quality and safety, not to mention the negative impacts on equity of access to service.

0920

Based on evidence, we have grave concerns about clinical services and safety, and the impact that that would have on equity. Ongoing cuts to local hospital services would further destabilize local hospital budgets and worsen staffing shortages. The evidence shows that this plan will likely cost more to OHIP and Ministry of Health budgets, as well as for patients who are frequently confronted with user fees and extra billing in private clinics.

The Auditor General's report of 2012 shows that the independent health facility sector already has inadequate oversight and monitoring, and should not be expanded. We have outlined some of these concerns below, and our recommendation is that organization of hospital services, if it is planned, should take place under the Public Hospitals Act, not the expanding of private health care facilities.

Higher costs being one part of our dilemma, to cut public hospital services and contract them to private clinics bears close resemblance to the British experience with contracting out public hospital services to private clinics called independent sector treatment centres. In the UK and other jurisdictions, including Canada, multiple reports and many studies report lighter caseloads and evidence of cream skimming by private clinics, leaving the more expensive and heavier caseloads to public, non-profit hospitals while depriving the hospitals of the resources, both human and financial, to treat them.

In the UK, multiple British Medical Association journal studies report that private clinics are paid higher prices for surgical procedures. Indeed, in the UK, the Department of Health has publicly admitted that higher prices are paid to private clinics. Former British health minister Frank Dobson reports that private clinics were being paid up to 11% more than public hospitals for the same procedures.

The OHC's own research into private clinics across Canada, conducted in 2008, found that the cost of procedures was significantly higher than it was in public hospitals. There is an element of two-tier health care in user fees and extra billings.

In addition to billing public health plans, in 2008 the OHC discovered that the majority of for-profit clinics charged user fees and engaged in extra billings of patients, even in violation of the Canada Health Act. This finding was supported by a 2011 study in the Canadian Journal of Gastroenterology, which found that one third of patients receiving colonoscopies in private clinics in Toronto were being charged user fees for this service.

Toronto Star columnist Thomas Walkom found that even at the non-profit Kensington Eye Institute, one of the few non-profit IHFs that exist, surgeons recommend non-medically, necessary refractive lens implants for patients, which is a commingling of insured and uninsured services used by the for-profits to bill patients extra. The clinic charges a \$50 handling fee for user fees to patients, in addition to the charge for the lens.

A case in point has been the establishment of Medpoint Health Care Centre in London. Touted as London's only for-profit health care clinic, Medpoint is seeking to expand. On the heels of the controversy surrounding the Vancouver-based Copeman Healthcare Centre's attempts to establish a for-profit in London, the president of Medpoint, Alex Hanham, introduced his for-profit clinic far more cautiously, first opening a clinic in the renovated space at the Galleria London in 2007.

Medpoint clinics are open to everyone for OHIP-covered services, but the point is that the core of Medpoint's business model is to implement executive-styled care that purportedly includes 125 corporate clients and others who simply make spending on health a priority. For an annual membership of \$1,800, well-heeled clients can receive guaranteed services including three- or five-hour medicals, personal training and a concierge to guide them to treatment options in Ontario and the United States.

In five years, Hanham has twice expanded his clinic, more than doubling his space, while adding pediatric as well. His staff has grown to 28, from two full-timers and three part-timers. Another clinic is in the offing for Ottawa.

As quoted in the London Free Press, Hanham's philosophy: "Sales isn't that difficult. People have a need to be filled. They are out to buy something."

For-profit clinics such as Medpoint blur the lines between Canada's public and private delivery of health care and offend our sense of equal access to care, one based on need rather than wealth. It is all the more galling that corporate clients can claim their membership fees as a business expense, thereby enjoying the subsidization of Canada's progressive tax system to in essence jump the public queue in health care service. In addition, the existence of for-profits within Canada's public health care system further subjects medicare to corporate challenges through international trade agreements.

I can go into further evidence which is provided by the Ontario Auditor General's report in 2012. Due to time limit constraints, I'm just going to gloss through this quickly. I know that the committee's time is precious, as well.

The evidence is overwhelmingly there that if we don't monitor what private clinics perform, then there will be inevitable corruption of the system and they will probably be taking money that they are not owed. They certainly are far more expensive to run than our public hospital system is.

Moving to the hospital system, in the 2013 budget plan, as presented, with hospital funding frozen at less than the rate of inflation, it's forcing more and more cuts and, of course, more user fees, and more means testing for seniors' drugs as well are being proposed.

#### *Interjection.*

**Mr. Peter Bergmanis:** Five minutes. Thank you, sir.

Hospital-based operating funding was held to zero in 2013-14. It has been held at less than the rate of inflation for more than five years. This province has the fewest hospital beds per capita of any province in Canada by far. Ontario has the highest level of hospital occupancy of any jurisdiction for which the OHC can find data. In fact, hospital overcrowding in Ontario is at dangerous levels.

Continual pressure on hospital budgets has meant more cuts to needed services across Ontario, offloading, privatization of hospital clinics and services.

The city of London is a regional medical hub, but over the course of the past 20 years, the municipality has lost two thirds of its acute care beds and has suffered the loss of one of its emergency departments. Two health care conglomerates service the region: the London Health Sciences Centre and St. Joseph's Health Care.

Through hospital restructuring and extensive program transfers, St. Joe's has been transformed from our acute care facility to an ambulatory care centre. In order to achieve balanced budgets, both hospitals have cut staff and services. In the most recent round of austerity

induced measures, St. Joseph's has been forced to reduce medical diagnostic imaging and operating room time, and to institute two weeks of cataract suite closures. On weekends, the remaining surgical floor of the hospital must contend with the disruptive transfer of patients from the nursing unit to the PACU and back again, just to save on costs associated with operating a surgical unit seven days a week.

Naturally, due to the cutbacks, wait times for diagnostic imaging and cataract surgery are creeping up. The number of cataract surgeries the hospital provides has fallen to 4,171 this year from 5,126 three years ago—a reduction of almost 20%. Each month, the waiting lists grow, with about 40 more people getting on the lists than there is room for surgeries.

Other deficit-busting measures include: closing a St. Thomas-based jobs training program that helped 80 people in the mental health program; redesigning an intensive four-week fibromyalgia management program that helped 108 people a year; the closure of an aquatic therapy program affecting about 400 people, many of them women in their 70s and 80s. Users visited the pool to help recover from hip, knee and shoulder surgery, as well as relieve symptoms connected to ills like arthritis, fibromyalgia and osteoporosis. They must now find relief elsewhere, which is not readily available in the community.

The London Health Sciences Centre is meeting the fiscal challenge through reduced nursing hours, earlier patient discharges and rationing of OR time. With another anticipated flat-line fiscal year approaching, the likelihood of devolving more hospital-based services into the hands of for-profit providers appears certain.

Seniors' drug coverage: Basically, if the seniors are going to pay more—the wealthier ones, anyway—then that means the dismantling of the universality of the health care drug program, and it is certainly not as progressive as we would anticipate it to be.

**0930**

Also of concern would be, in the rural areas, protections for rural and small community hospitals. Full public disclosure on the use of previously announced funding should be made.

I'm glossing through this because there's a dearth of information here that I'm sure the committee will be able to read, and other coalitions will be presenting very similar items here as well.

Suggestions here: Home care should be reformed to create an equitable public home care system and ensure that public funding is used for care.

Home and community care increases to be up to 5% from 4% per year—and in 2013, apparently, it was increased to be \$260 million.

Long-term care needs minimum care standards that should be adopted for accountability of public funds and to improve outcomes and protect against harm.

We are very concerned as well about public-private partnerships in the case of hospitals, the Brampton hospital being the most glaring example of the abuses,

where billions were spent and the public ended up carrying the lion's share of the risk involved. The cost overruns were about 13%, according to the Auditor General of Ontario, at the Brampton facility. But there are more hospitals that have been built under that model and we definitely need better scrutiny of what takes place when we adopt that.

Ontario is lagging far behind all of the other provinces on health care funding. Far from eating the provincial budget, Ontario's funding of health care services lags behind most. Rhetoric about alarming health cost expenditures is neither true nor in the public interest. It should have no place in serious budget debates and political discussion.

As this government knows, the Ontario deficit is the creation of budget choices, choices that have prioritized tax cuts that mainly benefit the wealthy and the corporate elite and avoid actually making our commitments to the citizens of the province.

**The Chair (Mr. Kevin Daniel Flynn):** Peter, I'm going to have to stop you there, but thank you very much for coming. Thank you, Shirley, for joining him. It was a pleasure to have you—

**Mr. Peter Bergmanis:** Thank you for your patience on that.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you. Unfortunately, you used up all your time for questions as well.

**Mr. Peter Bergmanis:** Darn.

**The Chair (Mr. Kevin Daniel Flynn):** But we are hearing from other health coalitions throughout the province.

**Mr. Peter Bergmanis:** You will be. You certainly will be. And thank you for your time.

**The Chair (Mr. Kevin Daniel Flynn):** My pleasure. Thank you.

#### TOWNSHIP OF ENNISKILLEN

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation this morning is the township of Enniskillen. Mayor Marriott, if you'd like to come forward, Your Worship, and make yourself comfortable.

**Mr. Kevin Marriott:** Thank you very much.

**The Chair (Mr. Kevin Daniel Flynn):** You're welcome. Fifteen minutes, like everybody else. Use that any way you see fit. If there's any time left over, it will come from the government side.

**Mr. Kevin Marriott:** I've also brought John Innes—he's the general manager for finance in the county of Lambton—as I'm a councillor for the county of Lambton.

**The Chair (Mr. Kevin Daniel Flynn):** Perfect.

**Mr. Kevin Marriott:** I want to thank the provincial finance committee for coming to Sarnia, and for having this opportunity to have input in these very difficult times for rural municipalities like mine. Having been on municipal council for almost 20 years, the budget we are working on for 2014 will be one of the most challenging in those 20 years.

A little bit of history here: In the mid- to late 1990s, when the federal government was successful in eliminating their deficit, they made cuts to the province of Ontario, who in turn made cuts to municipalities. There were many major changes at that time that the province implemented.

One of the biggest changes was eliminating the farm tax rebate directly to farmers that resulted in municipalities getting funding directly from the province, which is now included in the OMPF fund that we receive annually. The rate at which municipalities can tax farmland has a very narrow window, up to 25%, and the province has not allowed this rate to change.

The OMPF funding to Enniskillen was decreased by 5% in 2013, followed by a 15% cut in 2014, or, put another way, \$170 per household. If that isn't bad enough, we have been warned there are more cuts to follow for 2015.

Quoting the Honourable Charles Sousa from a letter from his office: "Working closely with municipalities, we recently undertook a review of the municipal partnership fund to ensure the funding is stable, consistent and predictable, while at the same time targeting it to those municipalities that need it the most."

Trying to absorb a 20% cut in funding in two years is anything but consistent and predictable for our rural municipality. To say that funds are being targeted to those who need them most is not a fair comment. To have to raise property taxes this much in one year is totally irresponsible and unacceptable for the taxpayers of our municipality.

In communications after the announcement, we were told by the finance ministry that there are savings to offset these reductions that should come from the county level due to the uploading of Ontario Works and Ontario drug benefits. This is like comparing apples to oranges. The main services the county of Lambton administers are social services, long-term care and public health. For our lower-tier municipality, they are roads, policing and fire protection. Many other lower-tier municipalities in this county experienced the same or more reductions over the two-year period, as my colleague Don McGugan mentioned. He's very similar.

The combined total of the OMPF funding for the county of Lambton and all lower-tier municipalities combined is \$10.3 million, whereas the total for Chatham-Kent, our closest neighbour, is \$19.4 million. I'm using Chatham-Kent not only because they are a close neighbour but because their demographics are very similar.

Chatham-Kent received a reduction in OMPF of only \$13.70 per household for 2014, indicating that the provincial government seems to favour a one-tier municipal government. I would like to address the opinion that rural municipalities are more solid financially and can withstand these cutbacks, which was also expressed by the finance ministry in the last number of weeks in various communications.

I will agree that land prices have inclined the last five years across Ontario. This, however, should not be con-

structed that all individuals as well as rural municipalities are feeling those good fortunes. It is a widely known fact that Canadian personal debt levels are at alarmingly high levels, and this is the same for farm debt levels; they are the highest in history. We all know that farmers' incomes fluctuate wildly because of commodity prices and their cycles.

There are three main crops grown in Ontario, those being soybeans, corn and wheat. In the last few months, corn has dropped from \$7 a bushel to \$4 a bushel, or 57%. Wheat has dropped 35% in the same period. Soybeans are showing the lowest per cent declines in the same period, but I'm afraid their fortunes are about to change with South America growing the largest soybean crop in history at the moment, and it's about to start being harvested in the next two months.

I shouldn't have to remind you of these commodity cycles if you are old enough to remember the farm crisis of the 1980s. During that decade, land prices dropped 66% over a six-year period, which resulted in the biggest farm crisis since the 1930s, with many foreclosures. Anyone who says that couldn't happen again had better go back to school and study economics.

Back to municipal economics: Rural municipal councils like mine cannot just raise taxes to offset these OMPF funding cutbacks. Rural Ontario consists of small urban areas that have been hurt by the continuous loss of manufacturing jobs. The taxpayer cannot withstand a 20% increase in taxes in one year. If we do not raise taxes, infrastructure such as roads and bridges will not be maintained to the current levels.

There are two reasons for the higher standard of levels of infrastructure compared to 20 years ago. The first one: Taxpayers demand a better quality of surface treatment, with clay and gravel roads not acceptable on high-traffic roads, and number two, a higher level of safety standards for roads and bridges that are being implemented by the province as well as the police. My road foreman will often get a call from the OPP indicating that they think certain work should be happening—this after we have increased the standards from even 10 years ago. We have been to that as a result of courts awarding personal injury cases.

The new formula that Mr. Sousa has talked about based on households does not take into consideration the higher number of kilometres of roads and bridges per household that rural municipalities have to maintain compared to our urban cousins. We currently have bridges that, due to lack of funding, have forced the closure of the roads associated with them because we lack funding in our budgets to repair or replace.

Mr. Sousa, in response to our concerns, also talked about the Small, Rural and Northern Municipal Infrastructure Fund. We have applied to this, but the odds of getting funds feel only very slightly higher than if we bought a lottery ticket.

**0940**

The second challenge for rural municipalities is the steady increases of policing costs, much higher than the

rate of inflation. In fact, our police costs have now doubled in 10 years, with the increase for 2014 at 8%. If the province is going to keep implementing the wage increases that have seen our policing costs double, then it is time that the province uploads policing costs back to the province.

To recap the previous two issues, 15% lower OMPF funding and increased policing costs of 8% is a total of 23% for 2014 alone.

I also wish to address today the availability of natural gas. In my municipality, 80% of all residents do not have access to natural gas. As a farmer, if I had access, I could save close to \$4,000 per year on the cost of drying grain alone, without considering the savings on the residence. When I asked Union Gas almost 20 years ago what it would cost to bring gas to my grain dryer, they wanted \$35,000 to extend the line two kilometres. I could not justify that cost, even at the time, by saving \$4,000 a year.

The last issue I'd like to touch on is hydro rates. They continue to be the main reason for losing manufacturing jobs in the area. Something has to be done. To see the bleeding of jobs from that is heartbreaking, to say the least. I pulled out my latest bill, which was \$650, with less than \$200 of that being the actual hydro itself. If governments are serious about jobs, then that definitely has to be one of the high priorities.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much. You've left about five minutes for questions. Let's start with Donna.

**Mrs. Donna H. Cansfield:** Thank you for your presentation. I understand the issue around the two-tier and I think that's been a concern that has been expressed for a long time in many different areas within the province. I also have a fairly good understanding around your issue of roads and culverts and bridges, especially in this area, because you probably have more than the rest of the province combined. I'm quite familiar with that.

My understanding was that there was a northern and rural transition fund that you could apply to in terms of helping you through this whole process. Have you not applied to that fund?

**Mr. Kevin Marriott:** We have applied, and, as I mentioned, it's not much better than buying a lottery ticket. Honestly, as far as the percentage odds of receiving money, I don't know the numbers but I know that there's—

**Mrs. Donna H. Cansfield:** I think we should have a further conversation about that, because I believe that was put in place specifically to help address some of your concerns, and I think it would be really worthwhile to have that discussion.

The other is that when the original position was taken around the—the remember, you had all the downloading and then we had the uploading. There was a decision made at AMO and there was agreement about what would take place and what would happen over a period of years. Certainly you have received a significant amount of money in terms of what was previously downloaded to

you and then uploaded to the province. Now, I understand and I respect that probably your biggest difference is in your demographics, because you don't have the sheer numbers, for example, that Chatham-Kent would have. But I would be curious as to how much was uploaded—I don't mean to put you on the spot that way—in terms of the difference now. You must have received a significant amount of money in the past.

**Mr. Kevin Marriott:** I'll let Mr. Innes address that, but as I mentioned in my presentation, because it's two-tier, it is like apples and oranges. The county—John, I'll let you add to that.

**Mr. John Innes:** The county, according to the OMPF notices, has received in excess of \$16 million worth of uploads. For 2014, the reports suggest that we are going to benefit by \$2.3 million.

When we take a look and we analyse that, the actual dollars that you can take to the bank to offset costs are closer to \$800,000 than the \$2.3 million.

What has happened with that money in the past is that the county has used it to pay for the increase in caseloads for Ontario Works and essentially has used it to maintain and provide the services from the social services department.

As Mayor Marriott indicated, we have used it at the county level to pay for county-provided services, whereas his concern at this point in time is that he is seeing a reduction in the amount of cash that goes to support the services that his level is providing. That is really what the issue is: Yes, we do not argue that there has been a benefit to the county, but, regardless of whether that benefit came to us or elsewhere, the fact remains that Enniskillen township and every township like it are going to have to figure out how to compensate for a 25% hole in their funding for 2014.

**Mrs. Donna H. Cansfield:** I've heard this for a while now from other jurisdictions, around the two-tier issue. I understand the responsibilities at the overall tier, if you like, especially around roads and such, but I also appreciate that if it doesn't trickle down to where the rubber hits the road, you end up in a really difficult position. I think that there should be a discussion that really centres around those kinds of issues to help you, because that's a governance issue between the first and second tiers, in some cases.

**Mr. Kevin Marriott:** But if you look at my presentation, Chatham-Kent being very similar in population, demographics, size and everything, we're at a little over \$10 million altogether. That's county and all municipalities rolled into one. Them being one tier, they're \$19 million. There's something wrong. The formula that came about for 2014 is highly flawed.

**Mrs. Donna H. Cansfield:** I think, again, that warrants a discussion. I would be prepared to work with you and help you in terms of setting up a discussion with the people in finance, because I really appreciate that that's difficult.

As I said, we have tried to do the uploading. If it's flawed in the process, then I think we should have a discussion and see what we can do to help you out.

**Mr. Kevin Marriott:** That would be great.

**Mrs. Donna H. Cansfield:** Yes. I really appreciate your presentation, especially when it comes to the issues around roads, bridges and culverts.

**Mr. Kevin Marriott:** Especially with the standards that are being implemented on us. We have to have bridge inspections now, and that's a cost that we didn't have five years ago. The layers and layers of bureaucracy are just getting bigger and bigger. It might only be a few thousand dollars, but if you add all of those few thousands up and then take a 23% change in funding for one year, it's not fun.

**Mrs. Donna H. Cansfield:** No, I agree.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Your Worship. Thank you for coming today.

#### LONDON ECONOMIC DEVELOPMENT CORP.

**The Chair (Mr. Kevin Daniel Flynn):** Our next presentation this morning is from the London Economic Development Corp.: Robert and Larry, if you'd like to come forward. Robert or Larry?

**Mr. Larry MacKinnon:** Robert was not able to make this presentation today. I'm Larry MacKinnon. I'm the director of business development for the London Economic Development Corp.

**The Chair (Mr. Kevin Daniel Flynn):** Perfect. You have 15 minutes, like everybody else. Use that in any way you see fit. Any time for questions will come from the Conservatives.

**Mr. Larry MacKinnon:** Thank you for giving me this opportunity to provide brief comments during this pre-budget consultation. My comments will focus on the importance of the Apprenticeship Training Tax Credit as a critical support for the contact centre or call centre industry in London, Ontario.

The London contact centre cluster has about 22 companies employing a skilled and experienced labour force of approximately 7,000 people, representing 2.2% of the labour force. At peak, London had about 40 contact centres with more than 8,000 people employed, representing about 3% of the labour force.

London is an attractive community for high-quality contact centres due to the large pool of talented and educated young people emerging from Western University, Fanshawe College, Collège Boréal, and a variety of vocational schools. Indeed, Fanshawe College has provided training for individuals entering the industry, typically through the Pre-apprenticeship Training Program.

These 50,000 students are a significant pool of new talent for the industry. Many students work part-time in the industry, while others see the contact centre industry as an entrance into the full-time labour force upon graduation.

In London, contact centre positions pay between \$10.25 and \$34 per hour depending upon experience, technical requirements, and language capabilities. These

are good primary and secondary jobs for many people, including new entrants to the labour force, recent immigrants, individuals changing careers, and recent retirees seeking to supplement their incomes.

0950

London, like many communities in Ontario, has lost a significant number of contact centre jobs, with some companies leaving entirely and others reducing their labour forces when contracts are not renewed for a variety of reasons, including the loss of that contract to a less expensive jurisdiction. Some companies have signalled that the loss of the Apprenticeship Training Tax Credit will force them to follow suit and move their contracts to less expensive jurisdictions, including the United States.

In addition to the loss of contact centre jobs, London has lost many manufacturing-related jobs since the 2008 economic downturn. Our current unemployment rate stands at 7.8%. And while the contact centre industry cannot make up for all of these losses, they have been able to absorb many individuals returning to work and provide second incomes to many more families.

Alliance iCommunications is an 18-year-old, London-based, full service contact centre providing support throughout North America 24 hours a day, seven days a week, to brand-name clients. Alliance employs 300 people and is the winner of the 2002 London Chamber of Commerce Business Achievement Award. David LeClair, president of Alliance, will be presenting to you later this morning in an effort to show you exactly how negatively impacted his company will be by the loss of the Apprenticeship Training Tax Credit and the future impact on his London employment base.

The Apprenticeship Training Tax Credit allows companies like Alliance to remain competitive with low-cost North American jurisdictions, to increase employee compensation, and to reduce training costs that are necessary to ensure the quality of a skilled professional demanded by the market. We ask that the ending of the Apprentice Training Tax Credit for contact centre jobs be reconsidered and that a revised program with appropriate restrictions to prevent abuse be implemented. A successful revision of this credit will enable many companies to retain jobs in communities like London and add additional jobs as they secure new contracts in a globally competitive bidding process.

Thank you for your consideration.

**The Chair (Mr. Kevin Daniel Flynn):** Very good. You left a lot of time for questions, and that's going to the Conservatives. Who's going to start? Monte?

**Mr. Monte McNaughton:** Thank you very much for coming today to the committee. The issue that you've brought forward is something—over the last year, I've asked a number of questions in the House about this apprenticeship program that was in place. I just wondered if you could explain how the government consulted with the industry before making the change.

**Mr. Larry MacKinnon:** That's a very good question. I'm not actually in the industry and it's not clear to me

how that was done. My sense, from speaking to contacts and industry executives, was that they were either given short notice or little notice before the information was made public. But I can't say for sure that they were not consulted. It's not clear to me.

**Mr. Monte McNaughton:** And again, I may have missed it, but how many job losses in London from contact call centres?

**Mr. Larry MacKinnon:** Right now, the number would be 1,000 jobs, from our peak.

**Mr. Monte McNaughton:** Okay. And you're saying a lot of these jobs are now going to the US?

**Mr. Larry MacKinnon:** Yes. There are some jurisdictions in the United States that have lower costs and have similar programs to aid in the training of new contact centre employees. Not all the jobs are going to the US; some are going to offshore jurisdictions that are even cheaper. But the high-quality jobs that are viable in North America are always looking for the cheapest possible location and yet maintaining the highest-quality talent, and there are other options that the market can choose.

**Mr. Monte McNaughton:** I remember, when this debate was happening at Queen's Park, there were other provinces, I believe, as well that have offered some incentives to attract these jobs. Do you know what other provinces are sort of excelling and pulling ahead of Ontario in this industry?

**Mr. Larry MacKinnon:** Off the top of my head, I don't know the specific provinces, but I am made aware that a number of east coast provinces have had a lot of experience in this industry and signalled very quickly to Ontario companies that they would be willing to talk to them about relocating their jobs into those provinces. Maybe some might be beefing up their programs, or at least they're talking of beefing up their incentives to attract those jobs.

**Mr. Monte McNaughton:** You were talking as well about manufacturing job losses in London. I know the unemployment rate increased. The announcement was from StatsCan a couple of weeks ago, based on December job numbers. Can you talk a bit about manufacturing job losses in London and how many manufacturing jobs have been lost since the peak? Do you know that number?

**Mr. Larry MacKinnon:** I don't know that number. I think that it would certainly be in the thousands. I can't say for sure that this industry would absorb all those people. I don't think that it would. But this industry provides jobs to some of the people who have lost their jobs as second careers. It also provides excellent second incomes to their families, allowing them to make it to whatever their retirement goals are.

**Mr. Monte McNaughton:** Good. Thank you very much. My colleague has questions.

**The Chair (Mr. Kevin Daniel Flynn):** Vic?

**Mr. Victor Fedeli:** Thank you, Chair. Good morning and welcome and thank you for your presentation. I'm not sure I heard the end of Monte's question to you.

What would the total number of job losses in the London area have been since the peak?

**Mr. Larry MacKinnon:** In the contact centre industry, it would be—

**Mr. Victor Fedeli:** Not the contact centre—in general, the manufacturing.

**Mr. Larry MacKinnon:** To be honest, I don't have that figure. It would be in the thousands, several thousand, but I don't know that figure off the top of my head.

**Mr. Victor Fedeli:** This is our fifth community that we're visiting, and we've heard an awful lot about hydro rates, red tape, corporate taxes. Can you take a couple of minutes and talk to me about each of those three and the impact on job creation in London?

**Mr. Larry MacKinnon:** I don't typically hear concerns about corporate taxes from companies. There have been some concerns expressed about hydro rates, that companies are always competing with other jurisdictions and prefer a stable environment for hydro rates and are concerned about where they might go. The contact centre industry, in particular, is not expressing concerns at this point, but I do know that in some jurisdictions where they are being enticed, those jurisdictions are advertising lower hydro rates and in some cases lower property taxes. So while those companies that I've spoken to would like to keep those jobs in London, in Ontario and in Canada, at some point they make business decisions about where they can be competitive. The Apprenticeship Training Tax Credit allows some of those companies to remain competitive in Ontario, even though there may be higher costs in other areas of their business.

**Mr. Victor Fedeli:** So other than the contact centre, you do have the ability to talk about the other industries, the other sectors as well in your community, or are you strictly the contact centre?

**Mr. Larry MacKinnon:** I would prefer today just to focus on the contact centre industry.

**Mr. Victor Fedeli:** I appreciate that. We do have a proposal from the government to increase the price of gasoline by 10 cents a litre and corporate taxes by half a percent. How would you feel that that would affect the overall business community in the city of London? And you can focus on the contact centre employees or employers at your discretion.

**Mr. Larry MacKinnon:** I'm not actually in the industry. It would be difficult for me to comment. My sense is that higher gas taxes impact everybody. In the contact centre industry, there's a range of wages paid, from, say, minimum wage starting on the low end up through, as I mentioned in my comments, \$34 an hour. Some will be impacted more than others. Certainly, many of the students and many people who are in jobs that pay a little less are taking buses, so the transit system helps there. Many of those contact centres are located in the downtown core or on bus routes, so I think that is less of a concern than the training issue.

The industry, the marketplace, demands high-quality skills in these centres. These are not low-end contact centres contacting you during your dinner trying to sell

you something. They're high-quality centres with brand-name clients. They require high skill levels. The industry needs this tax credit to bring those people up to speed as quickly as possible to service that industry.

**Mr. Victor Fedeli:** Chair, how much time do we have left?

**The Chair (Mr. Kevin Daniel Flynn):** You've got just over two minutes.

**Mr. Victor Fedeli:** We heard from the contact centre industry in Toronto. I don't know if you followed the hearings in Toronto last Thursday.

**Mr. Larry MacKinnon:** I did.

**Mr. Victor Fedeli:** You did, so you know that they made a very strong and a very productive case as well, probably almost equal to yours today.

If you have any closing remarks, now's the time. If not, I'll pass on our time.

1000

**Mr. Larry MacKinnon:** Thank you. I'd just like to say that this is an issue, I think, that affects many communities in Ontario, in the north, west, east and south, and I would appreciate the committee taking another look at the Apprenticeship Training Tax Credit and how it could be modified to suit the needs of industry and meet the goals of the appropriate ministry. Thank you very much.

**The Chair (Mr. Kevin Daniel Flynn):** Very good. Thank you very much for coming today, Larry. We appreciate it.

#### ONTARIO GREENHOUSE VEGETABLE GROWERS

**The Chair (Mr. Kevin Daniel Flynn):** Our next presentation this morning is from the Ontario Greenhouse Vegetable Growers: Don or George?

**Mr. Don Taylor:** Don; no George.

**The Chair (Mr. Kevin Daniel Flynn):** Have a seat. Make yourself comfortable. You have 15 minutes, like anybody else. If there's any time left over, the questioning for you will come from the NDP.

**Mr. Don Taylor:** Okay, good. I'd like to thank the committee for allowing us a time slot today. I'll try to keep my comments fairly brief. We did prepare a written brief as well that goes into a little more detail on some of the items that we'll be talking about.

Just a little bit of an introduction: Who are we? My name is Don Taylor. I'm the chair of the Ontario Greenhouse Vegetable Growers. The OGVG is the organization that represents all greenhouse producers of cucumbers, tomatoes and peppers in Ontario.

For those of you who aren't familiar with the sector—and I know a lot of you are; we hold a few sessions a year in Queen's Park and have you down and let you taste some of our wares and receive some of the flowers that our colleagues on the flower side produce—we have about 220 greenhouse vegetable farmers in the province, closing in on 2,400 total acres, so they average about 10.5 acres of enclosed production space per farm.

Total farmgate sales in 2013—we haven't got the final numbers in yet, but they probably approached \$800 million, which is a very significant sector in the province. We have about a little more than 12,000 jobs in the sector, and those jobs range from labour jobs involved with plant care, harvesting and so on through to professional jobs in science, marketing and mechanical, as well as management jobs, obviously. We're also a sector contributing to the favourable balance of trade. About 70% of what we produce is exported, primarily to the US, and we're now looking fairly seriously at markets in Asia.

The one final point that I'd just make about the sector is that we are a growing sector. We have added about 400 acres of production over the past three years. At about \$800,000 to \$1 million an acre of construction costs, that represents in the neighbourhood of \$350 million that have been injected into the Ontario economy as a result of that expansion. As well, I'd just ask you to keep in mind that every acre we add adds two to three jobs.

But—there's always a but—we aren't the only country looking at expansion in the greenhouse sector. Mexico is our main competitor, and certainly they have a favourable climate for field production. They have low labour costs, and they have a fairly large hybrid of field and greenhouse sectors called protected agriculture, where they have a lower cost structure and are able to compete very well in our major markets.

The US has traditionally lagged behind Canada and Mexico, but they're now playing an aggressive catch-up game. They've been visiting intensively with our growers in Ontario, trying to talk them into putting their next expansion on the other side of the border, particularly in Ohio and Michigan, offering tax breaks, energy incentives, low prices, labour cost advantages and so on.

I guess my bottom-line point here today is that the business climate is critical if we're going to ensure that investments in the greenhouse vegetable sector continue to be made in Ontario and don't move outside of the province.

In terms of our recommendations, I've grouped them into two groups. The first group are those policies or services that we feel the province does a very good job on now and needs to maintain or, if possible, enhance, so I'll just briefly list those. The second group of policies and services relates to those that we think need some serious examination done, and potentially some overhauls, if we're going to continue to attract investment and growth.

In terms of the former group, obviously Ontario has something going for it that the greenhouse sector has developed to the size that it has in the province. Certainly there are a number of public services that the greenhouse sector depends upon: market development services, both domestic through the Foodland program and I guess more recently through the Local Food Act and Local Food Fund, as well as export market development. I mentioned we're looking at the Asian markets, and there are a few specialists within the Ministry of Agriculture

and Food that are critical to our examination of that. There's a lot of government-to-government work that needs to be done when you're looking at new export markets, and so ministry staff are important for that.

In terms of innovation, research and technology transfer, the ministry has always been very supportive of that. That's a very small group of people who are involved in that, but we think they are worth their weight in gold—or greenhouse vegetables, I guess. We need to see those services continued. We're not asking to expand them, but we need to see them continued.

The final area I'd just touch upon is the regulatory area. That's usually listed as a negative, but from our perspective the Open for Business process has allowed us to address some issues that we've had with some of the regulatory process; for example, environmental regulation. If I would have met with you a year ago, I would have had this on the other side of the ledger: things you need to improve. But we think through the Open for Business process, I had some very good discussions with the Ministry of the Environment, the Ministry of Agriculture and Food, and we feel that the solutions are well on their way to sort of a win-win situation there.

On the other side, however, of the services, I just want to focus on two main services in terms of those that we feel need to be improved. Energy and labour both represent about a third of our costs of production, so between the two of them, two thirds of our total cost of production. No matter what else we do in any other area, if we're not competitive in energy and labour, we'll have a hard time retaining the investment in Ontario.

In terms of energy, there are really three issues. First of all is infrastructure. Our major production area is in the three-county area around here: Lambton, Kent, Essex, and particularly Essex. About 87% of all that we produce is produced in that three-county area, and frankly the infrastructure in terms of electrical service, as well as natural gas service, is not up to the job; it hasn't been for some time, particularly in the south Essex area. That needs to be improved.

We are excited. Recently, Hydro One has led us to believe that they will be making application to the Ontario Energy Board to run a new line down and put a new station in the Leamington area. Similarly, Union Gas is looking at a similar application, and that's great news. The other part of the news, however: We need to look at how those services are going to be paid for. We've been led to believe through some of the discussions that since we're the ones who asked for it, we'll be the ones who are paying for it, and frankly we don't think that's reasonable. There's a lot of investment that needs to be done by this sector, but investment in transmission lines and gas lines that are really the main lines bringing the services to the area, we feel, needs to be shared between the province and the utilities, and then the utilities, based upon the regulation by the Ontario Energy Board, will get back their investments with whatever is the regulated rate of return. So we think it's critical that those services be put in place. Just as an example of that,

our major production area is in the Leamington area, as I've said. They've already had to shut off the gas once this winter. They're being told they have to shut it off today for the rest of this week, and that's a huge issue for the greenhouse sector. You can't shut off your main source of heating fuel to a greenhouse at the coldest time of the year.

The other two issues I'd just mention quickly: combined heat and power. The greenhouse sector is very well placed to deliver combined heat and power. That's basically electricity generation through burning of fossil fuels. We're well placed because we use the CO<sub>2</sub> and the heat that comes out the other end of that. That's a waste product for most other sectors, and this electricity is on-demand electricity; it's dispatchable. We can turn it off and on because we can store the heat and use it when we need it. So there was a program, the CHPSOP, that was cancelled during the summer, for all the greenhouse producers. The most recent long-term energy plan has again identified that a CHP program for the greenhouse sector is in the interests of the province and the sector, so we're very hopeful that that will go ahead. But we need to make sure that this one too isn't cancelled.

The final one is off-peak electricity pricing. We know that Ontario, because of its high mix of non-dispatchable sources such as nuclear power, does have electricity in off-peak hours that it needs to sell, and it has been selling at not-very-profitable levels or at a loss to surrounding jurisdictions. Our recommendation is, instead of selling it to Michigan, why don't you sell it to us at off-peak incentives? We can turn that electricity into more jobs through going to a lighting program that will produce greenhouse vegetables throughout the year.

1010

The final comment I'd just make with respect to labour is on minimum wage. Again, there is a panel that we've made our comments to. At its heart, we don't feel that minimum wage is a good solution to the poverty issue, but we do understand the political realities, and one has to deal with it.

In the greenhouse sector, we do employ a lot of people, and a lot of the people we employ are labour that are at or near the minimum-wage level. We have no ability to recover cost increases because of the competition from sources outside of the province and outside the country, and, as I say, we're fairly sensitive to that. So our recommendation would be that one needs to use some objective measures—the consumer price index, perhaps, modified by health indicators of the economy. We don't want to see a minimum-wage increase when we're losing jobs. We think that's the best solution. Rather than going with periodic, significant adjustments, you're better to adjust it every year, so that business can adapt to that and move forward.

The other comment I'd make about minimum wage is that we feel strongly that the starting point for any adjustments needs to be the current minimum wage, not some sort of addition to the current minimum wage and then starting to do CPI from there.

Those are basically my comments. Again, we feel that there's an excellent opportunity to continue to grow this sector, but we do need to look at some business-climate and economy issues if we're going to see that happen here.

**The Chair (Mr. Kevin Daniel Flynn):** Okay. Thank you, Don. You've left about three minutes for questions. Michael or Peggy?

**Mr. Michael Prue:** Yes, I have a couple of questions, if I could. You were talking about the cutting of the gas. This seems horrific, that gas would be cut to greenhouses on a day that's going to be 20 below zero. When was this decision made, that they were going to cut it?

**Mr. Don Taylor:** Union Gas makes the decision based upon their supply and the demand that they have, based upon weather. So as a large industrial user, like a greenhouse is, you have a choice of either having interruptible or non-interruptible. Our problem is that most of our folks would like to go to non-interruptible, but there's no more non-interruptible gas available.

Most of the greenhouses would have some sort of backup heating process, but that adds a lot of cost to the sector, so when they're told to shut off now, they have to go to either oil, wood or combinations of the above. This is the second time this winter that it's going to be shut off, but it happens periodically, and that is an issue of the level of supply into the area. It basically isn't adequate to cover the commercial, industrial and residential demands.

**Mr. Michael Prue:** Several farmers' groups have come forward during the course of the deliberations of this committee and have talked about expanding natural gas throughout the province, just as you have. Would a bigger supply in this area make it unnecessary to have periodic shutdowns of natural gas?

**Mr. Don Taylor:** Yes. As I mentioned, Union Gas is looking at running a new line down into the area. I think they recognize that it's inadequate, so we have been negotiating with them for some time on that, and they are looking at going to the OEB for approval on that.

Again, I'm not trying to play threatening here or anything like that, but when Michigan comes and talks to our growers, they're not telling them, "If you move to Michigan, we'll have you build the infrastructure." If you move to Michigan, the infrastructure will be there, and you'll get to buy your gas from it without interruption. So we need to ensure that that improvement in infrastructure is done, and that it's paid for by all the users of that infrastructure, not just by the group that asked for it.

**Mr. Michael Prue:** Okay. If I've got time—I think a minute or so?

**The Chair (Mr. Kevin Daniel Flynn):** You've got almost a minute.

**Mr. Michael Prue:** All right. You made a very good suggestion about buying off-peak energy rather than us dumping it in the United States or paying them to take it. That mostly takes place in the spring and the fall, when we have the excess energy, not so much in the winter or the summer, because of electricity use. How would you use that?

**Mr. Don Taylor:** We think that our demand structure marries up very well with the demand from households and other sectors. If there was off-peak energy—and in our understanding of the program, there is an existing program for large industrial users, so we would like to see something similar for the greenhouse sector. But if you're going to do that, our understanding is that it needs to be tied to some sort of expansion, so we would be tying this to putting in lighting in the greenhouses. We think the big demand for that power is in the summertime. We don't need grow lights in the summertime. We would need them in the late fall, early spring and wintertime, so we think the actual demand marries up very well, both from an off-peak pricing incentive as well as from the CHP. If we were able to have a CHP program where we were able to sell electricity back to the grid when they need it and potentially generate it for ourselves when we need it, we think the two time frames match up generally very well.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much for coming today.

**Mr. Don Taylor:** Sorry to go so long.

**The Chair (Mr. Kevin Daniel Flynn):** No problem. Thank you.

**SARNIA LAMBTON  
CHAMBER OF COMMERCE**

**The Chair (Mr. Kevin Daniel Flynn):** Our next presentation this morning is from the Sarnia Lambton Chamber of Commerce, John and Rory, if you would like to come forward. Make yourselves comfortable. If you could introduce yourselves for Hansard, that would be great.

**Mr. John Elliott:** Good morning, Mr. Chair, members of the committee. My name is John Elliott. I'm the chairman of the board of directors of the chamber of commerce. With me is Vice-Chairman Pete Aarsen from the chamber as well. We're pleased to have this opportunity to offer our input to help shape a stronger economic future for our province.

We are the area's voice of business, representing more than 900 members of a variety of sizes, from large industrial complexes to the small family-operated neighbourhood corner store. You'll see that my comments this morning really do cover the range of our membership. But repeatedly, our members remind us that jobs and deficit reduction are among the critical ingredients required to fuel a forward-moving Ontario. Both elements desperately need attention in the upcoming provincial budget.

To be clear, we're not referring to jobs created by governments, although we see the Ontario government as playing an important role in job creation. This government can contribute significantly to a robust and competitive economic environment, one where business is able to once again see the potential for a vibrant and sustainable future and is encouraged to create the jobs that can make it a reality.

One of the measures the government could take now to create such a positive environment locally is to adopt a new energy strategy. The current strategy really positions electricity prices at levels that simply do not encourage businesses to locate and grow in the province. For example, Sarnia-Lambton has been vetted by NOVA Chemicals as a potential site, among others in North America, for a new polyethylene production plant, a 1-billion to \$1.5-billion investment, with good-paying construction jobs, good operating jobs and spin-off for the community. They would be ideally suited for our community and for our province.

One of the few impediments to a decision to have this plant locate in Sarnia-Lambton, however, is the present and projected cost of electricity in the province. Ensuring competitive energy costs that help create an economic environment to attract business investments is a critical role that the Ontario government must accept.

The provincial government's approach is sound in its support for innovation and technology and for the growth of our economy through global exportation of goods and services. However, its lack of support for the traditional manufacturing sector has led to a steady decline in exports.

Essential to the growth of innovation is a sound base where new approaches to traditional production capacity and efficiency shortcomings can be developed and applied to effectively face an increasingly competitive global market.

Ontario competes against jurisdictions where government intervention is moderated, labour costs are lower, excessive regulatory burdens and red tape have been cut, and incentives for job creation are ever-present. The provincial government must take definitive steps to support what remains of our traditional manufacturing and industrial sectors. This can be done through such measures as capital improvement incentives and with public policies that allow our businesses here to compete on a global scale and cost basis.

Job creation is particularly important to our Sarnia-Lambton community, where our region faces the highest unemployment rate in the province. Individuals and business are feeling the lack of opportunity and the tight constraints of this extended sputtering economy.

**1020**

For business, especially small business, it's becoming increasingly difficult to find additional ways of cutting costs. It's particularly frustrating when their tax dollars go to support a spendthrift provincial government. How can we sustain growth if the province fails to contain its costs and manage its deficit?

While deficit reduction and job creation are key issues of interest, we also wish to raise several other matters in connection with the upcoming provincial budget that are of concern to Sarnia-Lambton businesses.

We encourage the provincial government to reconsider its approach to funding infrastructure capital projects, such as hospitals. In our view, it's short-sighted to create new facilities and to consolidate operations while failing

to also consider the cost of dismantling and repurposing the old infrastructure. Locally, the community's original hospital building, the former Sarnia General Hospital, stands boarded up and vacant. It is a half-million-dollar constraint around the neck of our community's hospital organization, a serious annual drain on provincial health care funding for our community with which the province refuses to come to terms. To rub salt in the wound, two nearby cities, London and Windsor, previously received full provincial funding for similar demolition projects.

Another concern chamber members have involves infrastructure investment in the greater Toronto and Hamilton area, which it seems can only be undertaken to the detriment of the rest of the province, and particularly rural Ontario. By what fair and transparent process do communities like ours remain eligible to pay for improvements in other municipalities but ineligible to receive similar provincial funding support for our own transportation and infrastructure projects?

Regarding taxes, the chamber has identified a means for the provincial government to offer some businesses sales tax relief. When the HST was introduced in July 2010, the government announced that input tax credits for certain energy, telecommunications and incidental costs by large businesses—this is generally with sales in excess of \$10 million—would only be recaptured temporarily and would gradually be phased out completely by July 2018. We would urge the province to reaffirm in the upcoming budget its intended phase-out period.

Provincially arbitrated protection service employee wage settlements represent a substantial burden to small communities of Sarnia-Lambton and their ratepayers. It's especially concerning when one considers that wages for police, fire and paramedic personnel typically constitute 50% or more of their municipal budgets. Currently, contracts awarded by provincial arbitrators for major metropolitan areas are similarly imposed on smaller urban and rural communities, which simply don't have the comparable financial base or flexibility to afford them. To rectify the current inequity, provincial arbitrators should be required to take into account a municipality's specific economic and budgetary capabilities before determining an appropriate level of compensation.

Another concern for municipalities which is likely to impact the tax burden borne by our business members relates to the provincial changes to the Ontario Municipal Partnership Fund. The current year's reductions in the OMPF allocations announced by the province in November 2013 are significant. As a result, every small rural municipality in Lambton is facing reductions in these grants that will require their councils to either impose substantial tax increases or implement major reductions in services, each of which has a detrimental impact on our membership and the local taxpayers.

Like businesses and individuals, the Ontario government needs to live within its means now, sticking to the basics that over the longer term will keep the province on a positive growth trajectory. We challenge the Ontario government to incorporate those critical forward-looking

elements in the 2014 budget. We can assure you that business would jump at the opportunity to actively contribute.

Thank you for your time.

**The Chair (Mr. Kevin Daniel Flynn):** Very good. Thank you both for your presentation.

Donna?

**Mrs. Donna H. Cansfield:** Thank you. Can you please tell me what your unemployment rate is?

**Mr. Pete Aarssen:** It's high eights in this particular community, 11% in the region.

**Mrs. Donna H. Cansfield:** So 11% in the region?

**Mr. Pete Aarssen:** In the region, yes.

**Mrs. Donna H. Cansfield:** I just was curious. Thank you.

I enjoyed your presentation. I have a couple of questions. You identify that whole issue around regulatory burdens and red tape, and we've been doing that Open Ontario process and it has been very successful.

But having said that, you also indicate that the "government must take definitive steps to support what remains of our traditional manufacturing," and therein lies a challenge. You know, I've read a fair amount—I don't pretend to be an economist, so I'm just going by what I read—and virtually everything I have read has stated that the past is the past. Traditional manufacturing is not going to be what it was in the past. Manufacturing has evolved and changed, and there will be some, but there's a whole new process.

So my question to you is, what steps can we take? What do you think we can do? Because you're not going to keep your traditional. You can't compete with China; you can't compete with India; you can't compete with the southern US. You still want to give people a living, reasonable wage. So what steps do you think we can take?

**Mr. John Elliott:** Well, from our membership and our experience, we see that businesses are eager to meet new opportunities. One of the initiatives that the chamber has been encouraged to pursue, basically from our membership, is to look for educational opportunities and coaching opportunities to help local manufacturers access new international markets, to be able to understand how their traditional products and services may be developed further to be able to create a unique product that would be available.

I think what we're finding is that most of our members are just looking for tools. They're looking for tools to be able to measure against their own operations to see how they can change and how they can evolve to meet the demands of today. They don't see themselves as being stuck in a previous decade. They see that there are opportunities in a larger market, and in many cases, those current markets are Ontario-based or they're North American-based. In our area, a large portion of our products do flow to the south. But they are looking for great opportunities. They just need the tools and the support and the incentives to transition into that new marketplace.

**Mrs. Donna H. Cansfield:** What processes have been put in place in the past that could be eliminated or cut, to

be put forward to the future? I mean, you recognize that we have an extraordinary deficit, and we have to deal with that; there's no question. In doing so, often you're going to have to rethink what's in place and apply it to something that's new. I think that's where the chambers can play a very critical role, because you have that sort of overview and you know what's in the past, what worked and what didn't. So I would be really interested—

*Interruption.*

**Mrs. Donna H. Cansfield:** —to hear what you've got to say.

**Mr. Pete Aarssen:** In addition, Ms. Cansfield, our members—to respond to your comments about the cost of producing a product or a service competitively, labour has come to the door and worked with us to lower their costs. Business has done a great job of fixing what they can control, their internal costs. But the cost of government, when it comes to the time required to produce the documents required to support the businesses they run, continues to be a greater percentage of their time, and time is money.

In addition to that, the cost of energy—I think you hear an undercurrent—it's not that you can eliminate this quickly, but perhaps a restructuring of these significant costs over a longer period of time might work, or looking creatively at how to provide the energy in a mixed fashion versus a leap to a different strategy entirely.

The cost of government to business seems—and it tangibly is—a greater proportion of both their dollars and time. But labour and the executives, or the decision-makers or the small business owners, are doing their best to control their internal costs. They're doing a great job.

**Mrs. Donna H. Cansfield:** Thank you. Again, I think where the chamber can play a pivotal role is in identifying that and then talking about moving it forward.

One last question: Arbitration comes up over and over and over again. It is an issue, and we need to be able to address it. How do you think we should address it?

**Mr. John Elliott:** We've identified a number of qualifications, I think, in our presentation that an arbitrator could consider in establishing a more practical benchmark for awards in various municipalities, and now we see that that benchmark really only applies in the larger metropolitan areas. The outcome of those awards is really then spun off to smaller communities.

1030

**Mrs. Donna H. Cansfield:** I remember that in the school board. It's the ripple effect, right?

**Mr. John Elliott:** Absolutely.

**Mrs. Donna H. Cansfield:** One gets it and then they think everybody can do it.

I really enjoyed your presentation, and I want to say thank you. I look forward to having a further discussion, and I would ask you that question, to really think through what you think we could do.

**Mr. John Elliott:** We'd appreciate that.

**The Chair (Mr. Kevin Daniel Flynn):** Very good. Thank you very much for being here this morning. We appreciated it.

**Mr. John Elliott:** Thank you.

## ONTARIO NURSES' ASSOCIATION

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation this morning comes from the Ontario Nurses' Association. Is Karen with us? Good morning, Karen. Make yourself comfortable.

**Ms. Karen Bertrand:** Good morning.

**The Chair (Mr. Kevin Daniel Flynn):** You have 15 minutes, like everybody else. Use that any way you see fit. If there's any time, it will come from the Conservative Party.

**Ms. Karen Bertrand:** Okay, thank you. Good morning. My name is Karen Bertrand. I'm a registered nurse and vice-president for region 5 of the Ontario Nurses' Association, otherwise known as ONA.

My background in nursing includes 39 years as an RN, mostly in long-term care. I'm currently employed at the Sun Parlor Home in Leamington. As part of my board responsibilities for region 5 at ONA, I have direct experience and knowledge of nursing cuts and the impact on patient care in southwestern Ontario as a result of underfunding our hospitals.

ONA is Canada's largest nursing union, representing 60,000 registered nurses and allied health professionals, as well as 14,000 nursing student affiliates, each of them providing quality care every day in our hospitals, long-term-care facilities, public health, the community, clinics and industry.

Registered nurses are extremely concerned about the extent of understaffing that exists in hospitals in southwestern Ontario and the resulting impact on quality care for our patients.

In ONA's region 5, registered nurses have identified significant challenges to the delivery of safe and quality patient care as a result of ongoing restructuring of clinical services, overcapacity in units and the implementation of staffing mix models that have replaced RN care with less qualified staffing.

These changes in the delivery of patient care are being implemented solely as a result of budget constraints and not for clinical reasons.

First, let me reiterate the basic facts on the extent of RN understaffing in Ontario. The ratio of RNs to 1,000 Ontarians is the second-lowest in Canada. Ontario has seven RNs per 1,000 population compared to 8.3 for 1,000 population in the rest of Canada. The difference creates a significant gap in RN care for Ontario. In fact, it means we need to fund a plan of action to hire over 17,000 RNs in Ontario just to stabilize our care with that provided in the rest of the country.

This morning, I wanted to provide you with some examples from southwestern Ontario that demonstrate the dire need for more registered nurses in our hospitals to meet the increased care needs of complex and unstable patients.

When you talk directly with Ontarians, they do tell you that they experience the lack of enough registered nurses every time they seek care in an emergency, recover from surgery, or seek other clinical treatments and care.

The state of RN staffing in our hospitals is creating high-risk situations for our patients, is firmly on the minds of many Ontarians and is becoming a serious point of conversation in our communities. There is extensive evidence in support of higher RN staffing levels in hospitals and improved quality of care outcomes for patients.

From the evidence, we know that higher levels of RN staffing in hospitals are essential to care for patients with complex and unpredictable conditions. Adding one patient to a nurse's average caseload in acute care hospitals is associated with a 7% increase in complications and patient mortality.

RN staffing is associated with a range of better patient outcomes: reduced hospital-acquired pneumonia, reduced hospital-acquired bloodstream infections, and length of stay and readmission rates. In Ontario, however, two years of frozen base funding for hospitals has resulted in the elimination of millions of hours of RN care. In one year alone, from 2012 to 2013, more than 1.5 million hours of RN care was cut from Ontario's health care system, completely ignoring the evidence that links RN care to improved patient health outcomes.

The underfunding of our hospitals results in RN cuts and hurts patient care. As an example, the hospitals in London are experiencing critical over-census in all areas due to a high volume of patients requiring admission to in-patient units. The adult emergency departments have also reached critical capacity levels. This is certainly consistent with the fact that Ontario has cut the number of hospital beds significantly. Over 19,000 hospital beds have been cut since 1990, which is the lowest number of hospital beds per capita in Canada.

Currently, at London Health Sciences Centre, occupancy rates at the University Hospital site are at 111%, and 108% at Victoria Hospital. The medicine units at both sites are at 141% occupancy. Sub-acute units are at 170% occupancy at University Hospital and 131% at Victoria, and mental health at Victoria is currently at 111% occupancy.

The hospitals are requesting clinicians to assess patients in areas of high occupancy for discharge to the most appropriate setting, in order to create capacity in in-patient clinical areas. Basically, that means kick the patients out because there are not enough beds and there are not enough nurses.

Each clinical area, including medical, surgical and mental health outpatient units, is being assessed for potential cancellations in order to create stretcher capacity or to free up nursing staff to be deployed to other areas. In lay terms, this means that hallway nursing and not enough nurses are creating chaos for patients in hospitals. The safety of our patients is at risk under these escalation strategies. Elective surgeries are being cancelled. Emergency patients are being redirected. Regional referrals are being restricted, except for the most critically ill. Patients are being repatriated back to community hospitals that are already over capacity and understaffed.

In 2013, at Sarnia's own Bluewater Health, the hospital has eliminated 38 full-time and part-time positions.

That's an annual loss of 75,000 hours of RN care for our hospital patients.

One study balanced the costs of increasing nursing staff in US hospitals with the associated cost savings that might be achieved by reducing adverse outcomes and length of hospital stays, and avoiding patient deaths. They concluded that raising the proportion of nursing hours given by RNs resulted in improved patient outcomes and reduced the costs associated with longer hospital stays and adverse outcomes compared to other options for hospital patient care staffing. A further study has shown that improved patient care from additional RN staffing prevents hospital-acquired complication—it actually mitigates complications through early intervention—and leads to more rapid patient recovery, creates medical savings and shows the economic value of professional RN staffing, let alone the impact on lives.

Ontarians want the government to make health care a funding priority. Ontarians want government to protect this funding envelope from cuts. Ontarians believe health care is government's most important service, with 90% of Ontarians agreeing that reducing the number of RNs would really hurt the quality of the health care system.

ONA is calling on the government to end underfunding of our hospitals. We're calling on the government to fund a multi-year plan to hire and maintain RN positions, to make significant progress in reducing the RN-to-population ratio gap of more than 17,000 RNs in Ontario compared to the rest of Canada.

The simple fact, based on the evidence, is that the health outcomes for Ontarians in hospitals suffer when fewer registered nurses are part of the staffing mix to provide quality care. Patients are put at risk. And as we have seen, the nurse-to-patient ratios are unsafe, unmanageable and dangerous for patients. Patients in acute care have complex medical issues, with multiple health conditions that require the broad scope of practice, skills and experience that RNs bring to the care they are trained to provide.

It appears an understaffed nursing model is being implemented to balance hospital budgets and is taking precedence at the expense of the care patients receive. Hospitals are experimenting with alternative staffing due to extreme budget constraints, but it is clear from the evidence that alternative staffing models cannot replicate the level, nature and complexity of care provided by RNs.

The overcapacity conditions in southwestern Ontario hospitals verify what ONA has been saying for far too long: There are not enough RNs staffing our hospitals.

It is time for the Ontario government to implement a plan of action for RN staffing to deliver quality care to our hospital patients. Immediate changes to the funding model for hospitals are essential to properly staff hospitals to meet the care needs of increasingly acute patients.

1040

Our recommendation for government to invest in our hospitals and in RN care to meet the needs of Ontarians is submitted with the goal of ensuring that the care is there when our patients need it. Our patients in south-

western Ontario deserve no less care than the rest of the country. Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Very good. Thank you for your presentation, Karen. You've left between four and five minutes for questions. Toby?

**Mr. Toby Barrett:** Thank you, Chair, and thank you for your presentation. Some of the statistics on hospitals across Ontario, is that reflected in the hospital in Leamington? Do you have these dire circumstances in the Leamington hospital?

**Ms. Karen Bertrand:** In Leamington? No, I don't have the statistics coming out of there. It's generally the stories that we're hearing across the province. Certainly in our small rural hospitals, capacity issues are definitely an issue, and when our tertiary centres are at overcapacity, there is nowhere to direct these patients for their care.

**Mr. Toby Barrett:** In the larger cities.

**Ms. Karen Bertrand:** Yes.

**Mr. Toby Barrett:** You mentioned the number of nurses in your union, and I appreciate what you're saying about the crisis in some hospitals. Of the total number of nurses in Ontario, how many are actually working in hospitals? What percentage?

**Ms. Karen Bertrand:** It would be the greater percentage. I'm trying to just come up with a number. I'm thinking, for the most part, our membership is hospital based, so this is a best guess: It would probably be—around 48,000 would be hospital-based nurses. I'm trying to think about the numbers that we've got in long-term care and just subtracting it down from the 60,000. I don't have a firm number, but I could certainly get that for you.

**Mr. Toby Barrett:** Yes. So 48,000 nurses are actually working in hospitals.

**Ms. Karen Bertrand:** In unionized hospitals. There are still some, a few—SickKids in Toronto is not unionized.

**Mr. Toby Barrett:** Yes. As far as deliberations with the finance committee, is there more room for, say, nursing assistants and various VON registered nurses to play a role in hospitals? Is there more they could be doing?

**Ms. Karen Bertrand:** The other classifications in the nursing world are RPNs, registered practical nurses, and PSWs, personal support workers. In less acute settings, these are the best places for this level of training that these nurses have.

We are also advocating in our long-term-care submissions for four hours of care per day per resident. Of that, 0.78 would be RN care. The rest is talking about RPN, PSW—the supportive care—in settings that are less acute, where outcomes are more stable and predictable.

**Mr. Toby Barrett:** You mentioned nurses working in the mental health field. I know in my area, many nurses work with the CCAC. They're not necessarily doing nursing work, however. They seem to be on computers and things like that. Is there any direction at all for trained nurses—an incentive for them to work in a hospi-

tal doing actual nursing rather than, say, CCAC work or mental health work, to try and meet this crisis you're talking about?

**Ms. Karen Bertrand:** The CCAC registered nurses are doing case management, so they are sort of the one-stop shop for the patients who are being discharged, as an example, out of our acute care facilities in directing where they will receive their ongoing supportive care in the community. So they're using their nursing skills, although not at the bedside in a hospital, but quite certainly using those skills in assessing the information that's coming in and what is going to be required for them in the community, and making the most of the prep—

**Mr. Toby Barrett:** I just wonder if they might be, given the crisis, better utilized, say, working in a hospital rather than working as a referral worker or a case management worker.

**Ms. Karen Bertrand:** No, I think we need registered nurses across the spectrum, absolutely. In all of these sectors, they play an important role, but most definitely the bulk of the registered nurses in our union is at the hospital bedside, on the front line.

**Mr. Toby Barrett:** Okay. I don't know whether my colleague has a question, if there's time.

**The Chair (Mr. Kevin Daniel Flynn):** It's going to have to be a very brief one, Doug.

**Mr. Douglas C. Holyday:** Well, very briefly, what would it cost to implement the changes that you're proposing?

**Ms. Karen Bertrand:** I'm glad you asked that question. We're actually proposing a multi-year plan. We firmly believe that if you invest on the front line you will get back in savings in several ways. You're going to have lower readmission rates, less complications, decreased infection rates, all of which get you savings on the back end. You're also going to see less illness and injury in your front-line registered nurses.

**Mr. Douglas C. Holyday:** How much?

**Ms. Karen Bertrand:** Don't know, but—  
*Interjection.*

**Ms. Karen Bertrand:** Okay. I went over my time.

**The Chair (Mr. Kevin Daniel Flynn):** Let's say we'll figure it out.

**Ms. Karen Bertrand:** Yes. Thank you so much. I appreciate it. Take care.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much for coming today, Karen. We appreciate it.

MS. CHERYL CARD

MR. DARYL CARD

**The Chair (Mr. Kevin Daniel Flynn):** Cheryl Card is our next delegation. Come on forward. Cheryl and Daryl.

**Ms. Cheryl Card:** Yes.

**The Chair (Mr. Kevin Daniel Flynn):** Have a seat, Daryl. Make yourself comfortable. Like everybody else, you get 15 minutes. The mikes will turn themselves on for you, so you don't have to do anything. If you need any water, we can get you some.

**Ms. Cheryl Card:** I think we'll just start.

**The Chair (Mr. Kevin Daniel Flynn):** Okay. So you get 15 minutes. If there is any time left over, those questions will come from the NDP for you. It's all yours.

**Ms. Cheryl Card:** All right. Thank you all very much for this opportunity. I'm very grateful that my brother Daryl has chosen to co-present with me here today. I had a handout that pretty much outlines everything I have to say, so I really don't want to waste any time just reading it to you.

I thought that if everyone with a special-needs individual came forward with one example—just one—you could get a very clear picture of what we're up against. I really don't have the big, broad spectrum. I don't represent agencies; I represent one guy. Our example is based on the budget freeze from 2009 and the subsequent—I guess the reneging came first and then the freeze. There hasn't been a cost-of-living increase for several years.

It's the medical issues that seem to be our problem. They're not covered under any circumstance. With Ontario Works, we have been turned down on several items just because they weren't on the discretionary list of benefits. Our example recently—and timing is everything. This month, it's orthotics; last month, it would be something else; next month, it will be something else. But my brother has had orthotics, and they determined that instead of a two-year wait, we now have to wait for three years. His feet won't suddenly get better. It's an issue and he's dealing with it. But we got the same-worded prescription as what we had before, only this time it had to be worded differently.

I'd just like to point out that whoever is making these cuts and putting themselves on the back, it really just doesn't make sense. His diagnosis hasn't changed. If anything, it got worse because of the delay, but having a doctor reword something—I really don't understand how this makes a difference and I really don't understand how the recipient needs to be responsible for communicating the specific dialogue that Ontario Works needs from the medical community. I don't know what your experience is, but my experience has been that physicians don't really like to be told what to do, especially by the patients. I just feel that it's putting the onus on the recipient. I believe it's unfair. That's just our very brief example.

Daryl, Lord love him, has been supportive of me every time, but I get something in the mail and I don't understand it and I can't very well explain it to him. All he knows is that I'm trying to do the best I can. That's pretty much my example. I would really like for the reneging of five years ago to be fulfilled and the freeze to be lifted and adequate cost of living to be subsidized and these other nit-picky budget cuts that only cause stress on us recipients—I would really like for it to be a fair system. I realize that I might be reaching with something ideal here.

Anyway, that's it for my presentation. Thank you for your time. I would like to ask if my brother has anything to add. I'm not sure if he will.

Do you have anything you'd like to say, bud?

1050

**Mr. Daryl Card:** Well, my sister is right.

**Ms. Cheryl Card:** I don't know if you understood that, but I'll translate.

**Interjection:** Oh, yes.

**Mr. Daryl Card:** Yes, that's my sister.

**Ms. Cheryl Card:** Thank you, and this is my brother. He's very pleased to be here with me today, because he was excited that we could do this as a team. So here we are.

Is there anything else?

**Mr. Daryl Card:** I go to Goodwill London Road.

**Ms. Cheryl Card:** He works at Goodwill London Road.

**Mr. Daryl Card:** Yes.

**Ms. Cheryl Card:** And he's on his way there after we're done here.

**Mr. Daryl Card:** Yes, when we're done here, I'm going to go to Goodwill London Road for lunch later.

**Ms. Cheryl Card:** Lunch—it's important.

**The Chair (Mr. Kevin Daniel Flynn):** Yes, we're all looking forward to lunch.

*Laughter.*

**Mr. Daryl Card:** Yes, at London Road Goodwill.

**Ms. Cheryl Card:** He's going to have his lunch at London Road Goodwill. Okay. Is that it?

**Mr. Daryl Card:** Yes.

**Ms. Cheryl Card:** Okay.

**The Chair (Mr. Kevin Daniel Flynn):** Well, thank you for joining us here, Daryl, and thank you, Cheryl. Would you answer some questions?

**Ms. Cheryl Card:** You bet.

**The Chair (Mr. Kevin Daniel Flynn):** Okay. Michael or Peggy?

**Mr. Michael Prue:** Just a couple of questions. First of all, thank you for your presentation, because what you have done in this presentation is to bring it right down to human terms. We often hear from many of the agencies, but we don't often hear from the people who have been cut or who are finding it difficult, so thank you for that.

You have shown us the example of the orthotics. What other things may have been cut from Daryl over the last few years?

**Ms. Cheryl Card:** Again, I wish I had the facts in front of me, to speak on behalf of agencies, but I don't.

**Mr. Michael Prue:** No, no, I want to hear about Daryl.

**Ms. Cheryl Card:** Okay. How it has affected him is that they have cut back on his staffing support hours. This is significant. They come in late; they leave early. He lives with a more functional roommate, but still, if the toilet overflows, they don't know what to do. They can't reach anybody by phone. It's very significant. When you cut staff, you have to think of the small particulars of living day to day if you're in a position of wanting to have assistance, guidance or help and it's not there when you need it. That's the most affecting.

Like I mentioned about the medical expenses, we're very fortunate. We have a mother who has been very generous with her supports. We have chosen to treat Daryl alternatively. We don't take advantage of the pres-

criptions that he's allowed monthly, because he just doesn't react well to chemical prescriptions. It's a very expensive business, to live healthy.

I really don't think the medical things that we ask for are a lot, but when we get turned down, I kind of have to understand why. The explanations I've been given, to me, just are not sufficient. "It's not on a list." Okay, well, I went through Bob Bailey's office—thank you, Bob Bailey—to try and get items listed. How do I go about getting this very necessary medical item on your discretionary benefit list so that it is covered? There just wasn't a process. You know, even through his office, the answer was, "Too bad, so sad. You should have been here when the system was created in 1960." I just think that that's not a good system if you're not open to progress and meeting needs.

The orthotics was the more recent example that I just kind of went through this red tape, thinking, "Why?" Is there really that much fraud in the orthotics world, where people with normal feet are going to take advantage and get free orthotics? I just really don't understand it.

I would like to give you further examples, but at this point in time, I just don't feel the benefit of getting into private matters. I think I've given you enough. Thank you.

**Mr. Michael Prue:** No, no, that's fine. You also speak here about the staff having to do extra work, that that's why they're not getting to it. Has it been your experience that the staff with whom you and your brother deal—that there aren't as many of them as there once was? Is that part of the problem?

**Ms. Cheryl Card:** There's more work put on the staff administratively. We have a staff member who can barely say hi—runs in and shuts the door—because she's so piled with administrative forms and covering the butt of the agency, and doing everything that she has to do to make sure that all the t's are crossed and i's are dotted, that spending time is actually kind of lower on the list unless it's an emergency, unless we have someone in crisis. I will tell you that my brother does have some skin conditions. One of the things that is very important to him is if he's uncomfortable, he needs someone to put lotion on his back. If there's no one around to do that, then it just doesn't get done. That's the sad truth of it. I'm sorry; did I answer your question?

**Mr. Michael Prue:** I think you have. This is the finance committee, and we look at ways to put more money into budgets or take money out of budgets. Obviously, you think that there should be more money put in the budget to help people with special needs—

**Ms. Cheryl Card:** Staffing.

**Mr. Michael Prue:** —and staffing and—

**Ms. Cheryl Card:** Absolutely.

**Mr. Michael Prue:** Okay. Now, there is also another committee travelling the province the same week talking about people with developmental disabilities. Did you put your name down to talk to them?

**Ms. Cheryl Card:** I didn't. I didn't even bump into them. I got an email from someone on a different list who

said, "Hey, did you know they're going to Sarnia?" I went, "No." "You should go." "Okay."

**Mr. Michael Prue:** I'm not sure if the other committee is coming to Sarnia. I don't know.

**Ms. Cheryl Card:** Well, I find it very difficult to leave town, so I'm taking advantage of this opportunity.

**Mr. Michael Prue:** So you wouldn't mind at all if we conveyed your message to the other committee?

**Ms. Cheryl Card:** Oh, please do.

**Mr. Michael Prue:** All right. Those would be my questions.

**The Chair (Mr. Kevin Daniel Flynn):** Wonderful. Peggy.

**Ms. Peggy Sattler:** Is there time?

**The Chair (Mr. Kevin Daniel Flynn):** Yes, there is a little bit of time left. There's about three minutes.

**Ms. Peggy Sattler:** Okay. I just wanted to ask a couple of questions about Daryl's experience with accessing housing and also accessing employment. We want to ensure that what we're doing with public resources is enabling people like Daryl and his roommate that you mentioned to access housing to live as independently as they can, and also to participate in the labour market in some way. So I wondered if you could just talk to us a little bit about your experience and any kind of recommendations you might have about what the province can do to assist in those areas.

**Ms. Cheryl Card:** Certainly. First of all, Daryl has been very fortunate. He might not look it, but he's a long-term member of this community. He's been working at Goodwill now for 19 years. He was very fortunate with the people who assisted him in the community prior to that. He was able to work in cafeterias and do dishes and clean trays. So he's had a really good experience with the various services that have been offered to him. This is in thanks again to his workers that went out with him, did his résumé with him, shopped him around. Again, this comes to staffing. That's the job.

In terms of housing, my goodness, we had quite a big tussle with our agency to get him into the right home and to get him, again, appropriate staff levels, because even though he had been adjudicated as requiring higher levels, the agency determined he would be a really good fit with these other gentlemen. His staff hours decreased and it really wasn't a good fit, and we couldn't get him out of this situation. It was years of me advocating and advocating to actually get him into a better situation than he was in.

I haven't been present for all of this. I've been here for the past eight and a half years, but prior to that there was some neglect that went on. I think that it's really important that everybody have an advocate in this situation, someone not agency-related, someone not government-related, just an advocate who can stop in and say, "Yes, your life is going great," or "No, we really need to do something here," because the agencies, God love them, are working on a budget, and if they can make things more convenient for themselves, they will. The priority is not the individual; I wish it was. But that is my whole

advocacy campaign, and I'm pleased to present just one example of one individual.

I've been told several times that if only everybody had an advocate like me, then this would be a better place. Well, it's hard work, but yes, I really do believe that if you had one person who could just care enough to look at things objectively and say, "Yes, I know it's tough. But you know what? This person doesn't have a voice to fight for themselves, let alone know that they actually need this to do what's best for themselves"—did I answer your question?

**Ms. Peggy Sattler:** Yes. So for Daryl, having a job coach, someone who's there with him in his place of employment—

**Ms. Cheryl Card:** It's very important, yes—very important.

**Ms. Peggy Sattler:** And then some kind of advocate around the housing to make sure that he was getting a placement or a situation that met his needs.

1100

**Ms. Cheryl Card:** Yes, absolutely, because the agency determined on their own that this would be a good fit for Daryl. Then, when I came and looked at it, I went, "This is absolutely not a good fit for him at all." They didn't see it, or didn't want to see it, because it was convenient for the other individuals that they had to find homes for.

**Ms. Peggy Sattler:** Okay. Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much for coming, Cheryl and Daryl. Enjoy the rest of your day.

**Ms. Cheryl Card:** Thank you very much.

**The Chair (Mr. Kevin Daniel Flynn):** Good luck at work today. Enjoy lunch.

**Ms. Cheryl Card:** Enjoy lunch. He saw them bring in the food.

**The Chair (Mr. Kevin Daniel Flynn):** Have some on the way out.

#### COMMUNITY LEGAL ASSISTANCE SARNIA

**The Chair (Mr. Kevin Daniel Flynn):** Our next presentation this morning is from Community Legal Assistance Sarnia: Andrew and somebody else, who will introduce themselves. Have a seat. Make yourselves comfortable. If you'd introduce yourselves for Hansard, that would be great. You have 15 minutes, like everybody else. Any time left for questions will come from the government side this time. The floor is yours.

**Ms. Karen Mathewson:** My name is Karen Mathewson, and I am a community legal worker and paralegal with Community Legal Assistance Sarnia.

**Mr. Andrew Bolter:** I'm Andrew Bolter. I'm the executive director, and I work there as a lawyer.

**Ms. Karen Mathewson:** We're a poverty law clinic funded by Legal Aid Ontario. We have been providing advice, representation, public legal education, commun-

ity organizing and law reform services to low-income residents in Lambton county for over 25 years.

We have developed many connections in the community, including chairing the Poverty Reduction Network and the Community Homelessness Initiative Network. Membership in these networks includes social assistance recipients, the working poor, churches, health practitioners, social housing providers, employment programs, social service organizations and agencies, county government employees and interested citizens concerned about poverty.

Due to the nature of our work and our partnerships in the community, we are well aware of the difficulties and challenges that many people in receipt of low incomes face on a daily basis. One of the reasons we are here today is to express our concerns about how those difficulties and challenges will increase when the \$42 million in transition funding under the provincial Community Homelessness Prevention Initiative runs out at the end of March 2014.

In 2012, the provincial budget eliminated the Community Start Up and Maintenance Benefit and the Home Repairs Benefit from Ontario Works and the Ontario Disability Support Program. It also reduced the funding for discretionary benefits under Ontario Works; we just heard from Ms. Card and Mr. Card about how that cap on discretionary benefits is hurting people in our community. Some 50% of the community start-up funds were combined with funding from five other housing and homelessness programs and transferred to municipalities under CHPI. The other 50% was earmarked for reducing the deficit.

The new initiative gives municipalities the responsibility and flexibility to respond to their communities' housing and homelessness issues, which is good. Communities understand and know what the needs are in their communities, so that flexibility is good for municipalities. However, reduction in funding and provincial policy changes have meant having to serve more people with less money. The limited funds are now spread over a larger pool of potential clients.

Our community faced a loss of nearly \$1.8 million when the provincial government made the changes to the community start-up benefit and introduced CHPI. In December 2012, the government responded to province-wide concerns about the cuts by instituting a one-time \$42-million transition fund to help municipalities deal with the loss of the community start-up benefit and the move to community-based homelessness prevention.

Our community's share of this fund was approximately \$1.1 million, which was \$700,000 less than the year before but better than the reductions we were facing before the transition fund came into effect. The funds run out in March 2014.

The Community Start Up and Maintenance Benefit provided funds once every two years to people in receipt of Ontario Works and Ontario disability benefits to maintain their housing. Essentially, it was a homelessness prevention program. The benefit helped people pay for

first and last month's rent deposits, rent arrears, deposits on utilities and overdue utility bills, and helped people move to safer and more affordable housing.

The fact that many recipients in Lambton county rely so heavily on food banks is evidence that the social assistance funds they receive are insufficient to meet their daily needs, let alone pay for these large expenses. The food bank in Sarnia alone, just one of several in Lambton county, provides food to 1,800 people a month, 700 of them children. They also serve over 110 meals a day from their soup kitchen.

The people hurt by the cancellation of the community start-up benefit include women trying to move from transitional shelters into permanent homes after experiencing domestic violence, men trying to move from the shelter system into permanent homes, and people dealing with bedbug infestations. And it also helped people with rising energy costs.

When the government released the transition funding, our county put together a program that tried to emulate, as best as possible, the benefits provided under the community start-up benefit. Our new program is called the Municipal Residency Benefit. It's for social assistance recipients, but it falls short of the community start-up benefit that did exist due to the decrease in funding from the province and the absence of the mandatory nature of the benefits and the appeal rights that were lost when the community start-up benefits were removed from Ontario Works and the Ontario disability benefits. When the community start-up benefits were under the legislation, they were a mandatory benefit. If people were denied, they had the right to appeal to what's called the Social Benefits Tribunal. When community start-up benefits were taken out of Ontario Works and Ontario disability, people lost the right to appeal to the Social Benefits Tribunal.

Municipal transition to the Community Homelessness Prevention Initiative has been complicated by the new cap on discretionary benefits under Ontario Works. Lambton county has had to juggle between finding funding for discretionary benefits, finding funding for shelter programs and finding funding for rent and utility banks for the working poor and low-income residents not receiving social assistance. Those discretionary benefits that are now capped at \$10 per case included things like dental emergencies, eyeglasses, prosthetic appliances, hearing aids, mobility aids, orthotics, burials and funerals. Ideally, the province should restore full funding for the Community Start-up and Maintenance Benefit and the Home Repairs Benefit and re-establish them as mandatory, appealable benefits under social assistance legislation. The province should also restore funding for discretionary benefits.

Restoration of these benefits would protect the most vulnerable people in our communities. At a minimum, the \$42 million in transition funding to municipalities should be made permanent and indexed to inflation. While the \$42 million will not replace the community start-up benefit, it will help many people with low in-

comes across Ontario secure adequate, safe housing and prevent others from losing their housing.

**Mr. Andrew Bolter:** With these programs we saw a direct, immediate impact on preventing evictions in our community and to help maintain social housing, stable housing and good housing. The upstream intervention saved millions of dollars. The cost of an eviction to a community is huge, and the cost to landlords is huge. So what's astonishing is that cutting these programs kind of flies in the face of the Ontario government's stated objective that poverty alleviation is one of its main goals, or has that changed? To those of us on the ground trying to salvage tenancies—and you need stable housing if you want to do other things in your life. If you want to look for work, stable housing is key. To those of us on the ground and to many constituency office workers who deal with this on a regular basis—I know we work with Bob's staff—it makes no sense to take this vital support away. So we ask you to look at these discrete things you can do, and immediately. It's low-hanging fruit. This helps communities keep people in housing.

With respect, we want more from our government. We want to see a discussion of values, and a transparent and real discussion in this process. When you craft the next provincial budget, we want to see a values statement. Values discussions are written off, it appears, in these kinds of budgetary discussions because somehow economics has been elevated to some kind of technocratic science of accounting and bookkeeping. We see the values behind budgets. We see them as hidden probably for a good reason, from the perspective of a government. They're hidden because to discuss them really exposes what we see is often very shallow doctrinaire ideologies that drive the game of politics when it comes to money.

## 1110

We have no more time for this shallow doctrinaire thinking. We need deep thinking based on looking at what is happening—and we see it at the front line—and based on fundamental democratic values and human rights, which are the right to food, shelter, work, economic inclusion, political inclusion, and to live with basic dignity, which is the foundation of the social contract and a civil society.

We're told that we live in the age of austerity and that the cupboard is bare and that mysterious forces beyond our control, like some kind of weather phenomena, have necessitated cuts to programs and cuts to subsidies. But what we all know, don't we—and I think we do—is that austerity has become a canard for a doctrinaire dismantling of the welfare state. I don't mean a welfare state in that traditional sense. I'm talking about a state that looks after people.

I'm quoting a guy—I read this in the *Guardian*, a great newspaper—and he's looking at the riots in Europe. What are the causes?

Well, he wrote: "Instead of it"—austerity—"being explicitly cast as a rewriting of the social contract, changing people's entitlements and changing the way the society establishes its legitimacy, the dismembering of

the welfare state is presented as a technocratic exercise of ‘balancing the books.’ Democracy is neutered in the process and the protests against the cuts are dismissed. The description of the externally imposed Greek and Italian governments as ‘technocratic’ is the ultimate proof of the attempt to make the radical rewriting of the social contract more acceptable by pretending that it isn’t really a political change.

“The danger is not only that these austerity measures are killing the European economies but also that they threaten the very legitimacy of European democracies—not just directly by threatening the livelihoods of so many people and pushing the economy into a downward spiral, but also indirectly by undermining the legitimacy of the political system through this backdoor rewriting of the social contract.”

And make no mistake: This is happening in Canada. It’s a little more subtle, a little more sleight of hand, perhaps. Where do we see it? Well, we all see it. We all look around.

I see a 20-year-old in Toronto being forced to work under the table because the business he works for pays \$7 an hour and they don’t want to be caught paying illegal wages. Why is he doing this? Because youth unemployment is so high, and the costs of education so onerous, that he has no choice. It’s not just refugees who are working under the table because they have to.

I see it with my mother-in-law, who is labelled a “bed blocker,” in a hospital because there’s no bed in a long-term-care facility that can meet her complex needs.

I see it with my clients working three or four part-time jobs, without benefits, trying to raise kids and support families and cycling on and off welfare. And who are we subsidizing here with welfare? We’re subsidizing businesses.

I see it when clients with mental health disabilities can’t get on disability because there’s no way we can find the resources—there’s no way we can do it—to get a psychological assessment that they need to convince a tribunal that they are in fact disabled. When they go to a Social Benefits Tribunal hearing, clearly they’re disabled, clearly they have mental health issues, but because we don’t have a psychological assessment, they don’t get through the door.

We think we don’t have a poverty problem; we think we have a wealth concentration problem in our society. You need to bring back a fairer system of income redistribution, the one that we once had. It wasn’t socialism. It was a fair system of income redistribution through a progressive tax system. You need to stop pretending that the revenue end of the equation is off the table. It shouldn’t be off the table. Who put it off the table? The average citizen of Ontario didn’t say, “Don’t raise revenues.” Maybe in the 905, there are a few people, but frankly, it’s not what we’re hearing.

One stat from Jim Stanford—he’s the economist who works for the CAW. Yes, he works for a union, but he’s a very bright man. I don’t know if you’ve read his stuff. He wrote: “From the turn of the century until 2011, revenues

received by all levels of government ... declined by” 6% of GDP. That’s 43.2% to 37.5% since the turn of the century. This represented a loss of \$100 billion in revenue, enough money to pay off all the deficits in Canada.

So stop telling us the cupboard is bare, and fix the structural problem in our tax system. Otherwise, you’re going to be doing this forever, listening to different groups wanting their piece of the pie, and it’s going to be very competitive. You need to fix the system and not deal with the little, tiny pieces of it. Of course, the tiny pieces come into play while you’re doing that, but look at the big picture.

Successful countries put tax resources into programs that help people, like education, health, transit, daycare, Ontario Place—why did we close Ontario Place?—and have net surplus GDP ratios.

We need some big ideas, not the rearranging of deck chairs.

*Interruption.*

**Mr. Andrew Bolter:** If I may just finish; I’m almost done.

We need programs that help people build good lives, especially the most vulnerable, so stop cutting them. We need to return to the social contract. That’s the bargain that we made to put some controls on the concentration of wealth and the concentration of power. We need to return to a progressive tax system. We need leaders who focus on big ideas and values, and on the fundamental purpose of democracy, which is, we thought and we still think, to build inclusive, vibrant and fair societies that are more than Monopoly games and free trade zones.

We’re told we can’t afford the big ideas and we have no choice but to ruthlessly cut spending. We know that is the big cynical lie out there. We know there’s lots of money. It’s just that we need to look at a fair system so everyone gets a piece of the pie. Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Andrew, and thank you, Karen. Unfortunately, there’s no time for questions, but a great presentation.

MR. JEFF WESLEY

**The Chair (Mr. Kevin Daniel Flynn):** Our next presenter this morning is Jeff Wesley. Jeff, if you’d like to come forward. I understand we changed your last name for the agenda but we’ve corrected it. Welcome.

**Mr. Jeff Wesley:** It’s one of the nicer names I’ve been called.

**The Chair (Mr. Kevin Daniel Flynn):** You have 15 minutes; use it any way you see fit. Any time left for any questions will come from the Conservative Party. It’s all yours.

**Mr. Jeff Wesley:** Thank you, Mr. Chairperson and honourable members. Good morning. My name is Jeff Wesley and I am here today as a citizen, father, grandfather, local health care advocate, current Chatham-Kent councillor and the last mayor of the town of Wallaceburg.

I sincerely appreciate and thank you for this opportunity. My topic will be the need for local and accessible health care in our small and rural communities. Although my message is about Sydenham District Hospital in Wallaceburg, I believe my comments apply to small and rural communities across Ontario.

In 1956, Sydenham District Hospital opened, and I was actually born there the year after, in 1957. In 1990, our community raised \$2 million—I was involved in that—for needed upgrades. In 1994, 2003 and 2010-11, our community rose up, packed our local school with overflow crowds and made it very clear that our hospital stands for the tears, blood and sweat shed so willingly by so many over so many years. In my mind, no other hospital catchment area in Ontario has been as strong and passionate about a hospital as Wallaceburg, North Kent, South Lambton, Walpole Island First Nation and St. Clair township.

Why is Sydenham District Hospital so important to us?

(1) The central ambulance communication centre, with a helipad, is located on site, and our emergency department serves a catchment area of 25,000 people, including Walpole Island First Nation.

(2) It was previously announced by the Ontario government that there was a need to improve emergency services in rural and northern Ontario. Our 24/7 emergency department is part of that solution. Our emergency department is successful, and I give the credit to our ER doctors and nurses for that. In 2013, there were no staffing issues and the emergency department came in under budget.

(3) While the growth is occurring in the GTA, do not forget about rural Ontario. We have suffered from the loss of manufacturing jobs but our populations are also aging, are less healthy, and our need for services is increasing. Transportation linked with accessibility is a major issue and one that is addressed by local and accessible health care.

(4) Small and rural hospitals contribute to the local economy—jobs, taxes, purchases from local businesses, and they help attract new businesses that want those health care services in the community.

(5) Given the huge geographic area and the number of emergency room visits, the emergency department at Sydenham District Hospital is a core program and a necessary part of the Chatham-Kent Health Alliance.

Leadership is needed now. The Ontario government and members of all parties have the opportunity to step up and support new models for health care delivery that can address the unique needs of our communities. In making strategic, directed investments in smaller, rural communities, the government and all members of all parties can also signal a commitment to enhance quality of life and attract/retain talent and business, a signal that also shows that you have not abandoned small, rural southwestern Ontario.

1120

What is my ask of you today? Our hospital, built in 1956, is in the lowest quartile for building condition, one

of the most deserving needs in all of Ontario. We need an infusion of resources to correct this.

First, we need dollars allocated to the Chatham-Kent Health Alliance Imagine project, particularly the new hospital campus-of-care initiative in Wallaceburg, and a decision from the Ministry of Health to approve moving forward to stage 2, functional program, and stage 3, preliminary design, where the community will be allowed the opportunity to have input into what services are provided, which in turn will provide a lot of comfort to the community. We had the approval from the LHIN in March 2013 and we are waiting for a response from the Ministry of Health.

This project is a unique partnership between the hospital, the community health centres in Wallaceburg and Walpole Island and the Canadian Mental Health Association. Emergency department services under this will be supported and enhanced.

Finally, while this is a \$67-million project, there are many parallels to the recently announced funding for the south Niagara hospital. Like Niagara, our project delivers \$3 million in annual cost savings, savings that can offset the funds needed to move forward. Like Niagara, our community is ready to do our share, both financial and volunteer effort, and rally behind a solution to our long-running health care concerns. Like Niagara, there will be an ask to Chatham-Kent council to get behind the entire Imagine project.

I'm not going to spend a lot of time on the next four slides, but I would just point out to you on the second slide that the long-term-care facility is a very dire community need and something that is also covered under this.

The third slide gives you an update on the project status. For those copies that came out dark, the two stop signs at the bottom indicate that government approval is needed to progress beyond that stage.

Finally, the communities in the catchment area of Sydenham District Hospital built and paid for our hospital. Prior to amalgamation within the Chatham-Kent Health Alliance, our hospital operated in the black and with no debt. We know how to get the job done and we are ready to get to work, but we need to be given the green light.

We are in the technology age, and technology can be very beneficial. Personally, I would respectfully submit that before we commit huge dollars to Cadillac innovations, we make sure that the needed Chevy of local, small and rural health care is working and properly funded.

I leave you today with a simple prayer from noted author Jean Houston: "Please allow me to be of benefit to someone or something today." With your support, we can cover off our commitment to do so here today. Thank you for this opportunity.

**The Chair (Mr. Kevin Daniel Flynn):** That's great, Jeff. Thank you very much for coming. Questions, Monte? You've got about seven minutes.

**Mr. Monte McNaughton:** Thank you very much. I don't think I'll take the seven minutes. Jeff, thank you very much. I can say, as the MPP for the area, you've

been a strong advocate of the hospital for many, many years, and for small and rural hospitals right across the province, so thank you on behalf of the community for everything that you've done.

**Mr. Jeff Wesley:** I remember at council for Newbury he showed up at many of our hospital meetings and was very supportive.

**Mr. Monte McNaughton:** The minister is well aware of the project. I know the hospital sent the Imagine project to the health minister. I've delivered it personally to her as well. I was just wondering, on the project and just the health care system in general—I wondered what your views are of the LHINs and the money that sometimes we see being diverted from front-line patient care, whether it's administration of hospitals or LHINs.

**Mr. Jeff Wesley:** Two points on that, and just a little bit of history: When you look at both in 1990 when we raised the \$2 million, and then in 1994, 2003 and 2010, when we had the massive public rallies, that was because our hospital was under attack. Our hospital, since that time, has really been, I would suggest, dying by a thousand cuts. We have had to deal with the local health integration network. They are part of the process. We need to work through that process and we've got their approval for this. But the one thing that I guess personally always kind of hurt me a bit with the LHIN structure was that there was always that comment that they were somehow local and it was somehow local decision-making. I've yet to find anybody involved with it who was local to my community in my area.

**Mr. Monte McNaughton:** True. Also, I wondered if you could just maybe update the committee on the most recent announcement—they're talking of up to 28 beds being closed, with 14, I believe, going to Chatham and 14 going offline altogether—and some of the other services recently that have been lost.

**Mr. Jeff Wesley:** Well, the reason why I'm here today in part is because we thought we had kind of reached a certain stable portion. We were waiting for this project to get funded, and then recently it was announced that there's going to be some further cuts. Really, what we're going to do is we're going to lose part of our lab; we're going to lose day surgery; we're going to lose outpatient surgery; we're going to lose complex continuing care beds, acute care beds. Really, what we'll be left with are some outpatient services, an emergency department and five family medicine beds that will support that emergency department.

Let me be clear: In my presentation today and where we see the process going, at the stage 3 level, where it becomes a design of the new hospital, that is where we really see the community is going to be able to have some input into what services we need and maybe what some of those services are that we need to get back.

**Mr. Monte McNaughton:** Great. I know I remember reading the history of the hospital, and I think the first dollar raised out of Wallaceburg was back in 1927 or something, so the community has been behind the Sydenham hospital for many, many years.

I don't have any other questions. Bob?

**Mr. Robert Bailey:** Yes, I just wanted to make a comment, Mr. Wesley. Thanks for being here today and for your advocacy. I know, ever since I've been elected, you and I have been in contact over health care issues, both at Sydenham and here in Sarnia-Lambton. You've been a great supporter of ours up here for the battles that we had with Charlotte Eleanor Englehart Hospital in Petrolia and helped us many times, attended rallies and meetings, and also with our goal to achieve a new hospital here in Sarnia-Lambton, Bluewater Health, which we did.

I encourage you to work with Mr. McNaughton and myself as we go forward. Hopefully, we'll be able to reach your goals.

You did a great presentation today. Thank you again for your advocacy and all the people you represent.

**Mr. Jeff Wesley:** Thank you. I appreciate that very much.

**The Chair (Mr. Kevin Daniel Flynn):** Doug.

**Mr. Douglas C. Holyday:** How close is the closest hospital to you outside of Wallaceburg?

**Mr. Jeff Wesley:** There is obviously a hospital in Wallaceburg. The Chatham-Kent Health Alliance is in Chatham, and that is hospital to hospital, probably about 40 kilometres. Then you have a hospital in Four Counties in Newbury, and you also have the Sarnia hospitals.

The thing I would suggest to remind everybody about is that the Sydenham District Hospital has a catchment area of about 25,000 people. That's not Wallaceburg alone. Wallaceburg is about 10,000, so we reach into Walpole Island First Nation, South Lambton, St. Clair township, and it is much further to go from any of those locations to another emergency department than what it would be to come to Sydenham District Hospital.

Might I add that I am very passionate about the emergency side of things because, as I'm sure a lot of you are, I am a grandfather. I have three grandchildren, and if there was ever anything that took place in our community where they needed those services, I'll be darned if I'm going to support them having to take an extra lengthy trip to get to some other emergency department when we have had, since 1956, an emergency department in our own community. That is one part that needs to be there going forward.

**Mr. Douglas C. Holyday:** Thank you very much.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much for coming today. Great presentation.

**Mr. Jeff Wesley:** Thank you for the opportunity.

#### ALLIANCE iCOMMUNICATIONS

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation this morning is from Alliance iCommunications. David, if you'd like to come forward. Fifteen minutes, like everybody else. I'm going to pass the chair off in a minute. If there are any questions, they will go to the NDP this time at the end of your presentation.

**Mr. David LeClair:** Okay.

**The Chair (Mr. Kevin Daniel Flynn):** It's all yours.

**Mr. David LeClair:** Thank you very much for your time. My name is Dave LeClair. I'm CEO and owner of a company called Alliance iCommunications in London, Ontario. I made the wonderful drive down the 402 in the snow today. I appreciate your time.

The purpose of my coming here today is to talk about the impact of the elimination of the Apprenticeship Training Tax Credit program for contact centre positions. I guess I just want to give you a bit of an overview in terms of who Alliance is, first of all, what that elimination means to us, and most importantly, to make some recommendations to perhaps reinstate it with some significant improvements and changes in the qualifications.

1130

I believe I'm not the first individual to make such a presentation around contact centre positions, which I think speaks to the number of jobs in Ontario in the contact centre industry. I believe also that Larry MacKinnon from the LEDC was here earlier, talking generally about the importance of the contact centre positions in London specifically. I'm here just to talk about one company and the effect of it, that one company being Alliance.

Briefly, in terms of London and Alliance iCommunications, we have coined ourselves a London success story—not really well recognized; we don't do a lot of marketing, but I think we have gained a very good reputation in the city of London as an employer. We are a private company, Canadian-controlled. Myself and my wife, who is in the audience, own the company. We've been in business since 1994—20 years—providing services to many large and well-recognized companies in the contact centre space. We have 325 employees, so I consider myself to be representing 325 jobs at Citi Plaza in downtown London. Last year, our payroll for those 325 employees exceeded \$8.2 million.

We believe we've gained a reputation as a professional workplace. I think the contact centre industry may have a bit of a negative reputation as a sweatshop and bums in seats and huge turnover. We're not that. There are employers out there providing good jobs, skilled jobs. We are one of those.

We pay our people as much as we can pay them. We pay them company benefits, as an example. Our COO formerly worked for TD Canada Trust and has told me that our benefit plan is better than TD Canada Trust's.

We were the winner of the Chamber of Commerce business achievement award, which I think speaks to our credibility as a company. Our reputation in the industry has really given us the opportunity to work with some great companies who have entrusted us to answer the phones on their behalf.

In terms of the impact to Alliance specifically on the elimination of the credit, the call centre industry, as you know, is extremely competitive. This may be a news flash, but Ontario is a very expensive place, relative to other locations in North America, to do business. That, I think, is the reality. I'm sure there are others who have stood before you to say that's why jobs are being lost, and there are closures in Sarnia, Belleville and London.

A good example is TeleTech, which was right beside us. It had 1,500 employees. It closed the doors because it became more cost-effective to move elsewhere.

Without the credit to Alliance, you have two Londoners, two people who love London and don't want to move from London, loyal to London, questioning our ability to stay in London and be competitive. Quite frankly, we are better off financially just to shut the doors and move to South Bend, Indiana, or one of our other locations in the States.

To give you an idea of the cost differential between London, Ontario, and South Bend for us, if we did move to South Bend, at our current 325-person rate, we would save \$1 million. So it's not insignificant.

I guess, having said that—and this is the first time I've ever made a presentation like this—we don't like to complain. We like to come with solutions and be problem-solvers. And I guess, as well, I think everybody here would agree that one of the key focuses is jobs in Ontario and training and having a skilled workforce. If those are the focuses, it seems to us, and Alliance, that it's kind of inconsistent to totally eliminate the credit, given the number of jobs that we offer as a company—and we're growing, by the way, and having a lot of success.

We're recommending that it be reintroduced for the three positions we've shown. In terms of the qualification changes, our understanding from talking to others—and maybe you can confirm it's correct—is that the major reasons for cancelling the program were the low completion rates, and abuse by several large corporations. We didn't abuse the program. We trained everybody; we paid for people to do the training. It was extremely successful for us in terms of attracting people and then training people.

But having said that, rather than just cancelling it totally, we're suggesting reinstating it with some changes.

The first big one is that the credit would only be paid to an employee who actually completed and graduated. If that's the issue, then the only money that's going to be paid is for people who graduate, so you've gone from what I've heard is supposedly a 10% completion rate to a 100% completion rate for people who earn the credit.

The second suggestion is to reduce the eligible credit period from 48 months to 24 months. You don't need 48 months in the contact centre industry to complete the training.

Then, the third recommendation is that only new employees hired after the employer has been approved will qualify for the ATTC. My understanding, again, is that one of the big issues is that big companies got a hold of this, had 4,000 people who had been with them for a while and enrolled them and just took the money.

So those are our suggested changes. With that, I just want to thank you for the time, and I welcome your questions.

**The Acting Chair (Mr. Bob Delaney):** Thank you very much for your brief. This round of questioning will come from the NDP.

**Mr. Michael Prue:** How much time do we have?

**The Acting Chair (Mr. Bob Delaney):** You've got about eight minutes.

**Mr. Michael Prue:** Oh, my goodness, a lot. I don't know whether I need all of that, because as you so correctly pointed out at the beginning, this presentation or at least the recommendations have been made several times to us already. So I think we all around the table understand the concept.

Two things: First of all, you talked about if you went to Grand Bend, you'd save \$1 million, but surely there are other problems in going to Grand Bend—

**Mr. David LeClair:** South Bend, Indiana.

**Mr. Michael Prue:** South Bend, sorry. I don't know. I guess it's because I'm so close. But surely there are other problems with going to the United States: the lack of health care and things like that that companies have to pay a great deal more for than they pay here.

**Mr. David LeClair:** That's not true. We actually don't have to offer any benefits in South Bend right now. With Obamacare coming in, there will be a cost, but the overall payroll taxes, if you will, and benefits in South Bend, to our experience, are no higher than in Ontario.

**Mr. Michael Prue:** Okay. That's just one question I have because usually one of the key advantages to companies locating in Canada, and Ontario in particular, is because we have a health care system which the Americans only dream of.

**Mr. David LeClair:** Yes. That's a good thing for the employee, but in terms of being competitive in the industry, that's not a critical element.

**Mr. Michael Prue:** And would the wages be the same in South Bend, as well?

**Mr. David LeClair:** No, and I think that's one thing—we do not pay minimum wage; we pay an average of between \$15 and \$20 per hour. The minimum wage in Indiana is \$7.25. We don't pay minimum wage in Indiana either. But on average, when you look at the fully loaded payroll costs in London versus South Bend, South Bend is about \$3 an hour less.

**Mr. Michael Prue:** So is that the majority of where the money would be saved?

**Mr. David LeClair:** That's where the—well, there are additional savings as well that we haven't talked about. As an example, rent at Citi Plaza is about \$25 a square foot gross. In South Bend, we're getting it for \$15. So there are a number of other savings, but specifically in terms of payroll costs, that's where the million dollars comes from.

**Mr. Michael Prue:** Okay. I think the only other question I have is that you have acknowledged that part of the reason that the government, the Liberals, took this extraordinary step in the last budget is that there were some people within the industry—not you, but some people within the industry—who were abusing it pretty badly, having employees qualify who didn't qualify, having rotating numbers of people coming in who never graduated, like thousands of them who never graduated, for which the government paid. Do you think that what is

being recommended here would be sufficient to make sure that those types of—and I don't know what other word to use—shenanigans would cease and desist within the industry and people would be more like your company?

**Mr. David LeClair:** I think there may be other things that can be—I guess basically if you only pay it if they certify and they've taken the courses and you monitor the courses, then to me that would control it. That's the ultimate control, to me, is that you're going through the process. They have to complete the courses; they have to go through the certification. If the shenanigans happen and they quit before whatever, no money is paid.

I don't know all the abuse. I can't think of all the things they did wrong. All I know is that we took it as a real opportunity to attract people, as I said, retain them and add to the training. I think a huge part of this is that we already train them very well. This just allows us to enhance that training.

1140

I don't think I'm answering your question. I don't know all the shenanigans, and I don't know all the things they did wrong, but to me, if the program only pays if they're certified and graduated, it should be easy to audit that they did complete the courses, they did complete the certification, and only in that case would monies be paid.

**Mr. Michael Prue:** The member from London probably has a few questions.

**Ms. Peggy Sattler:** Yes. Thank you very much. Thank you for making the trek here today from London, for your work with the economic development corporation and for your contribution to the local economy.

I really want to understand the value of the tax credit to businesses. You said you have about 325 current employees. How many of those employees were brought into your company because, at that time, you had access to the tax credit?

**Mr. David LeClair:** We've been in business for 20 years, so we operated before without the tax credit. I think it really allowed us to do a number of things. It allowed us to actually pay our people more.

**Ms. Peggy Sattler:** Okay.

**Mr. David LeClair:** So, because of the credit, we consciously increased wages. It allowed us to price more competitively, because our business comes from selling our services to third parties, and to be successful in that, we have to offer value to those companies. So it allowed us to effectively sharpen our pencil and get more business.

I think you may have seen that we just recently hired 80 new people, which came from new contracts that we were awarded, partly because of the pricing that we were able to adjust because of this program.

**Ms. Peggy Sattler:** If the budget includes this change, and the budget goes forward, do you see your revised direction for this tax credit as enabling you to create even more jobs? Do you have a ballpark as to what this recommendation for a revised tax credit would mean in terms of jobs that we would see in London?

**The Acting Chair (Mr. Bob Delaney):** You have a little less than a minute.

**Mr. David LeClair:** Yes. I think, basically, what the credit does to us is it tilts the playing field. Without the credit, it tilts it to the US, and as we get business and we're growing—for example, this year we are projecting 50% growth. Our decision, really, in terms of the credit is, where do we handle that business? Do we handle it in the United States, now that we have facilities in the United States, or do we handle it in Canada?

I think what the tax credit does, and what Sheila and I want to do, is that we want to grow and add the positions in London, Ontario. My brother actually works in Dallas, Texas, as part of the business. We don't want to add them in the US. We want to add them in Canada, in London, Ontario. What I'm saying is that it tilts it to that growth, and the success we have will be translated into new positions in London.

We actually are at full capacity at Citi Plaza and are currently looking to expand into bigger facilities, but those plans are on hold in the context of these discussions.

**The Acting Chair (Mr. Bob Delaney):** Mr. LeClair, thank you very much for having come in. That terminates your time.

**Mr. David LeClair:** Okay, thank you.

#### CANADIAN NATURAL GAS VEHICLE ALLIANCE

**The Acting Chair (Mr. Bob Delaney):** Our next presentation will be the Canadian Natural Gas Vehicle Alliance: Alicia Milner. Have a seat. Make yourself comfortable. If you've been here for a while, you get the general flow of things. You have 15 minutes to make your presentation. If you leave any time left, there may be questions for you. In this round, the questioning will come from the government. Please begin by stating your name for Hansard, and proceed.

**Ms. Alicia Milner:** Great. Thank you very much. My name is Alicia Milner. I'm the president of the Canadian Natural Gas Vehicle Alliance. It's a privilege to appear here today before the committee and to represent Canada's natural gas vehicle industry. Our membership includes Chrysler, Shell, Enbridge Gas Distribution, and Union Gas, and one third of our members are Ontario-based employers.

Today I'll share with you the opportunity that Ontario has to reduce greenhouse gas emissions from one of its fastest-growing sources, encourage jobs in the supply chain for vehicles and stations, and ensure that Ontario's trucking sector remains competitive in the integrated North American market for goods movement.

Transportation is the single largest energy consumer and source of greenhouse gas emissions in Ontario. Within transportation, heavy diesel vehicles have one of the highest rates of growth. I would ask you to consider the graph on the last page—if you could turn to the last page—that shows how Ontario's emissions have grown

since 1990, that top graph. While the province reduced total emissions by 3% since 1990, in this same period, emissions from heavy diesel trucks have grown dramatically, with an incredible 77% increase. According to Natural Resources Canada, energy use for heavy highway trucks is growing at four times the rate of energy used for passenger vehicles. Clearly, looking at that graph, while for passenger vehicles we want to make progress there too, it's not where we've got a big problem.

Every highway tractor on our roads emits about eight times as much greenhouse gases compared to a passenger vehicle. They're obviously high-impact vehicles, and they only make up about 3% of all on-road vehicles, but they contribute about a third of greenhouse gas emissions from the on-road sector. What's going on about it?

Across North America, the leading alternative to reduce emissions from heavy vehicles is natural gas. Natural gas provides up to a 25% reduction in greenhouse gas emissions using commercial technologies. In fact, there are more than 50 different factory-built models from all leading original equipment manufacturers.

Other jurisdictions are recognizing the importance of developing policies to encourage the use of lower-emission commercial vehicles. The province of Quebec was the first in Canada to provide an accelerated capital cost measure that allows for a rapid write-down of lower-emission natural gas highway tractors. British Columbia also has a progressive five-year program encouraging fleets to purchase heavy natural gas vehicles through a financial risk-sharing incentive. California, of course, leads all of North America in natural gas use for trucks and buses. The state is also proactively encouraging the transition from fossil natural gas to renewable natural gas produced from waste sources. Any natural gas vehicle can operate on renewable natural gas provided it meets pipeline standards, and this transition offers a near-zero emission alternative.

Natural gas isn't just about the environment, though; it can also help with job growth. Here in Sarnia, for example, Shell Canada is building the largest LNG production facility in eastern Canada, which will supply fuel both to the on-road heavy truck market as well as to the marine sector. New jobs at the plant in fuel delivery, and related infrastructure installation and maintenance, will be created. In addition, our member Westport now has a facility in Windsor to up-fit pickup trucks with natural gas fuel systems through a partnership agreement with Ford Motor Co. of Canada. Cambridge-based Shupak Equipment recently produced its first natural gas refuse-truck body, which will open new sales opportunities for this Ontario company.

The other dimension of the job equation, though, is job retention. Natural gas can also play a role in ensuring that Ontario's trucking sector remains competitive and that jobs are not lost to surrounding jurisdictions. According to the Ontario Trucking Association, an estimated 200,000 Ontarians work in the trucking sector. Trucks haul 90% of food and consumer goods as well as 75% of Ontario's trade, by value, with the United States.

In the US, we're seeing the private sector moving rapidly forward with investments of more than \$750 million to transform the landscape for energy use for heavy trucks. LNG refueling stations are being built on interstate trucking corridors, including in the northeast US. By switching to natural gas, truck fleets will reduce their fuel costs by up to 40% and also lower their emissions.

Again, if you refer to the last page of the handout, you'll see a map. This is the image that's the middle—sorry; it's a bit fuzzy—showing part of the network that one of the major fuel suppliers, Clean Energy, is building to supply natural gas as a fuel for heavy trucks. The little snapshot you see here, of course, is the northeast portion of their total US network.

Shell has also announced that it's going to be building a network of natural gas refueling stations along major interstate highways in the US. Having access to a lower-cost, lower-emission fuel will give American fleets a competitive advantage compared to Ontario-based trucking fleets.

1150

As with any transformation, change and stimulating private sector investment can only be built on market confidence in Ontario. The private sector is more than willing to invest to build the refueling station infrastructure needed so that fleets have access to natural gas, including investing in LNG refueling stations along the Windsor-to-Quebec City LNG corridor. In fact—again, final time, to that last page—you'll see that the first of seven stations is actually already in place in Cornwall, Ontario, and you see that on that final map, showing essentially seven LNG stations to cover Windsor to Cornwall for the Ontario portion of that corridor.

To go back to confidence in how we build it, the private sector can't do this on its own. We need support from government to send the appropriate signals, to demonstrate that natural gas offers a viable option for commercial vehicle fleets. Ontario can help to lay the foundation for significant investment in natural gas for transportation that can provide environmental, economic and competitiveness benefits through four next-step actions. I would emphasize too that these are all no-cost or low-cost recommendations.

(1) Recognize that natural gas is an important alternative for heavy vehicle fleets.

(2) Focus policy development efforts on the commercial vehicle sector. Passenger vehicles are important too, as is transit, but let's not forget commercial vehicles, given their high impact.

(3) Collaborate with the industry and the federal government to give fleet owners the information they need to evaluate natural gas as an option. We're not saying, "Pick one technology." We're saying, "Help us inform the market about their lower-emission alternatives." That's really fundamental to change, and we know change will take a long time in this sector too.

(4) Finally, a specific opportunity for Ontario is to participate on the Great Lakes marine LNG project. This is a project that's looking at barriers to LNG use as a

marine fuel. Just so you know, LNG can reduce sulphur by 90%, NOx by 85% and particulates by 85%, and can also reduce greenhouse gas emissions, so, obviously, it's a really important opportunity to lessen the environmental impact of the marine sector.

In closing, Ontario has an opportunity to act by means of these no-cost/low-cost recommendations that can help to create market confidence and encourage the use of natural gas as a lower-emission alternative for the commercial transportation sector.

On behalf of industry, we would welcome the opportunity to partner with the province and to ensure that Ontario retains its competitive position in the rapidly changing North American market.

Thank you.

**The Acting Chair (Mr. Bob Delaney):** Thank you. We have about seven minutes for questions. Ms. Cansfield?

**Mrs. Donna H. Cansfield:** Thank you. I'm really interested: Are you working at all on what's happening along the 401 corridor with the natural gas stops?

**Ms. Alicia Milner:** At this point, there are individual members of ours who are doing things, and, of course, Robert Transport has their own private station adjacent to the 407. But right now, in terms of the Ministry of Transportation and sort of a more collaborative approach to looking at that, there's nothing actively going on there.

**Mrs. Donna H. Cansfield:** Are you approaching MTO on that particular issue? The whole idea originally, when they took them all down, was to have a multi-approach to transportation and access to other fuels.

**Ms. Alicia Milner:** Right. I remember.

**Mrs. Donna H. Cansfield:** And you're saying that that has not really had a very fulsome discussion?

**Ms. Alicia Milner:** To be honest too, though, there has been a timing dimension to it. I know when all that work was done with MTO, at the time we said, "Yes, if there could be a placeholder for natural gas, that would be terrific." But we also had no LNG supply at that point. Now the LNG coming into Ontario is coming from Montreal, and once the Sarnia facility is online, we'll have our own local supply. So it's a little bit of getting things lined up so they're on the same timing.

**Mrs. Donna H. Cansfield:** What time frame are you looking at for the additional gas coming in?

**Ms. Alicia Milner:** The Shell facility here is probably, I believe, about two years away, in terms of being online, but there is also now a source of LNG coming in from upstate New York, so we do expect some announcements from our members over 2014. But in terms of will it be a coordinated execution along that 401 corridor, no, that's kind of the next step, I think, in terms of really engaging more seriously with MTO around that discussion.

**Mrs. Donna H. Cansfield:** I think it was—I'll use the couriers; I won't name names. They had very significant fleets that they were using natural gas in, and alternative fuels, and then some of that stopped when some of the programs stopped, and they weren't able to sustain them. But when you look at the reduction of the emissions, it

makes so much sense—and also the economy part. In those discussions, do you see—

*Interruption.*

**Mrs. Donna H. Cansfield:** Oh, here we go again. Sorry about that. It's my family.

Do you see an opportunity where we could sit down and have a discussion with certain heavy transportation—David Bradley, for example, with logistics—bringing them to sort of a round table and saying, "Is there a way in which we could do a better job of supplying natural gas to these vehicles, primarily commercial vehicles?" I think there's a whole different approach to the individual.

**Ms. Alicia Milner:** Yes, for sure. I think something like that could be very helpful. Obviously, we do work particularly with the Ontario Trucking Association pretty closely.

The challenge with natural gas, too, though, is that this is really the second wave. The first time around, a lot of it really didn't stay in the market for a lot of reasons. Fuel price was really the big one at that point in time when it crossed over.

The other thing now, though, particularly looking at the medium and heavy vehicles, is that you've got the factory-built vehicles, although if there has been one hard learning, it's that one size does not fit all. I think that's true for electric. I think it's going to be true for hydrogen when it becomes commercial.

What we found on the natural gas side, because the infrastructure is expensive—and you need to use a lot of fuel to offset that upfront cost, so it's really the medium and heavy. For something like an urban delivery courier truck—Purolator or FedEx—electric or hybrid electric may very well be the best option for that duty cycle, so that has been one of the learnings for this industry.

But in terms of could the province help bring those fleet stakeholders together? Absolutely. That would be very welcome.

**Mrs. Donna H. Cansfield:** I think that makes a lot of sense. I remember that we had a natural gas hybrid, and the biggest problem was that there was no trunk space.

**Ms. Alicia Milner:** Yes.

**Mrs. Donna H. Cansfield:** It was gone. Even though I think it was one of those big Chrysler 300s or something, there was virtually no trunk space. I think that's probably one of the growing pains within the industry.

But I really do think that there's an opportunity to bring stakeholders together, because the other issue is promotion—

**Ms. Alicia Milner:** Definitely.

**Mrs. Donna H. Cansfield:** —and being able to say why this should happen. It is a clean alternative source; it is a less expensive source. And you're right: logistics have a huge cost facing them when they deal with the whole issue around the price of gasoline or diesel.

**Ms. Alicia Milner:** Yes, for sure. To be fair to the market, too, it's hard when you come back with a different story and say, "You know what? No, no. We're not having that focus. Now we have this focus."

One of the biggest areas of growth, actually, is natural gas garbage trucks. We've seen a major project go in in

Barrie now, a major project in Hamilton and one in Ottawa, but I'd say that the level of awareness about all these projects even going on is very low across the province.

**Mrs. Donna H. Cansfield:** Oh, I didn't know, and I'm a huge supporter.

**Ms. Alicia Milner:** Yes. Unless it's your community—

**Mrs. Donna H. Cansfield:** Absolutely, but I'd be surprised if people in the community even know, so awareness is another part of it.

**Ms. Alicia Milner:** For sure.

**Mrs. Donna H. Cansfield:** It's the education, promotion and how to get the message out. I mean, there are a variety of ways to be able to do it, but it also gets people starting to talk about it from a different perspective than normal, from the stories like mine with the trunk, you know?

**Ms. Alicia Milner:** Yes.

**Mrs. Donna H. Cansfield:** I can't give up my trunk for a gas tank.

**The Acting Chair (Mr. Bob Delaney):** And speaking of awareness, you've got a little over a minute.

**Mrs. Donna H. Cansfield:** Okay. Anyway, I wanted to say thank you for your presentation.

**Ms. Alicia Milner:** Thank you.

**Mrs. Donna H. Cansfield:** It's one of those areas where we don't have a complete awareness, as you said, and I really do think that you should pursue getting MTO to the table and bringing all the stakeholders to look at how you can promote this particular alternative fuel.

**Ms. Alicia Milner:** Yes. Thank you for the suggestion. We'll certainly follow up on that. I appreciate that.

**The Acting Chair (Mr. Bob Delaney):** And thank you very much for having come in to present to us today.

This committee is in recess until 1 o'clock. For committee members, you'll find your lunch in the east hall, just across from here.

*The committee recessed from 1158 to 1300.*

#### ONTARIO PETROLEUM INSTITUTE

**The Chair (Mr. Kevin Daniel Flynn):** Okay. If I could ask the members to take their seats, please. It's 1 o'clock.

Our first presentation this afternoon is Hugh—if you'd come forward—from the Ontario Petroleum Institute. Introduce your guest. Hugh, you've got 15 minutes like everybody else. Use that any way you choose to use it. If there is any time for questions, it will come from the Conservative Party this time. Welcome.

**Mr. Hugh Moran:** Good afternoon, Mr. Chairman. Thank you for the opportunity to be here. Good afternoon, members. I'd like to take a moment to introduce Ian Veen. Ian is with Black Creek Well Service, and he is a recently elected member to our board of directors.

Mr. Chairman, if you want to cut us off after 10 minutes or so, I'm fine with that—I'll try to get to the end; you'll give me a little bit of a warning—because I would

like Mr. Veen to offer some comments and remarks as well, and we would, obviously, hope that our presentation will invite some questions so we can have a bit of dialogue as well. We're quite comfortable with that. Thank you very much.

The Ontario Petroleum Institute is an industry association that was founded in 1963, and it represents companies and individuals that are involved in oil and natural gas production in Ontario, hydrocarbon storage, and salt solution mining. Our members include commercial oil and gas companies, natural-gas-producing companies, drilling contractors, well and oilfield services, geologists, geophysicists, engineers, environmental consultants, financial/legal services, land services, and the various trades and utilities parts of the sector.

Oil and natural gas are important parts of Ontario's economy, and this energy is produced primarily in southwestern Ontario. Commercial oil and natural gas producers have supplied energy, through both historical and modern methods, to oil refineries since the 1860s, and to natural gas distributors since the early 1900s.

If you look on page 3 of the handout that I gave, you'll see that through counties and municipalities throughout southwestern Ontario—there's a diagram there that indicates where the production is of oil and where the production is of natural gas.

Presently, about 120 companies of differing sizes produce oil and natural gas in the province. The sector is regulated by the government of Ontario through the Ontario Oil, Gas and Salt Resources Act, which is administered by the Ontario Ministry of Natural Resources.

Exploration and production of oil and natural gas have changed dramatically in Ontario in recent years. If you look on page 4, you'll see in this graph that in 1996, Ontario produced close to 1.8 million barrels of oil and 16 billion cubic feet of natural gas, for a combined value of \$160 million. In 2012, our most recent figures—the 2013 figures will be out in the next couple of months—the industry produced less than 500,000 barrels of oil and half as many cubic feet of natural gas—around eight billion cubic feet—with an estimated value of around \$60 million.

One of the challenges of this industry is to try to reinvigorate the industry and get those production numbers back up to those levels or beyond. If we did that, if we had those same production levels today, we'd be back to the \$160-million revenue generation that happened back in those years.

A little different situation: For instance, if you look at the graph, in 1990 oil was probably half the price that it is today, and we had twice the production. In natural gas, for example, back then the price was twice what it is today with probably half again as much production, so pricing is part of that. But that's just a bit of an indication as to the variabilities that exist in the market.

In addition to oil and natural gas production, we've got about 7,000 cubic metres of natural gas hydrocarbon storage and 3.5 million cubic metres of hydrocarbon storage, for a total value of about \$2 billion.

If you go to page 5, in 1998 we drilled about 40 wells in Ontario. Natural gas: close to 70 wells in 1998. In 2012, just a handful of oil and gas wells were drilled in Ontario. That's a key and very important number to look at. There are a variety of reasons for that decline: competition elsewhere, prices, and issues around energy policy and development.

Our purpose today is not to necessarily elaborate on those issues but to talk about addressing some of those issues. We look at oil and natural gas production, and it represents, in our view, an economic growth opportunity for the province.

The Ontario companies producing oil and natural gas for the most part are profitable companies, but the sector, not unlike the Ontario economy itself, needs to reinvigorate itself to return to previous production levels, as I've pointed out. It will take more than Ontario-based companies, in our view, to do this. While they're an important aspect of that, it will take having companies from outside the province come back into the province or come into the province to partner up and work with our existing companies to try to stimulate that oil and natural gas production.

It's estimated, if you go to page 6, that 50% of the original oil and natural gas reserves that we started to produce in the late 1850s still remain in Ontario. So it brings the question that if we have this level of reserve and we're importing into Ontario 99% of our oil and natural gas—this sector at the moment provides Ontario companies and consumers with less than 1% of its natural gas needs. If we have 50% of those reserves remaining and we have experienced companies here that are prepared to do this and we need to work on some of the ways to get that stimulated, does it make sense, from a public policy perspective in Ontario, to support energy, oil and gas production in the province beyond the levels that we're at now? I think it's an important question to ask. If the answer to that question is yes, then how do we do that? How do we work together to do that, both the government, from a public policy perspective, and the industry itself?

Drilling is a capital-intensive business. Our current president, a gentleman by the name of Morley Salmon, who owns a company called Liberty Gas, compares it quite often to housing starts. If we look at economic indicators, housing starts are always a key one because housing starts stimulate everything. If we stimulate drilling starts in Ontario for oil and natural gas, and if you look on page 1 and you look at all of those members of our association who are involved, the more drilling starts that we get going, the more work there is available for all of those folks. If we don't do that, we're not going to have those folks available to provide that kind of service that we need.

**The Chair (Mr. Kevin Daniel Flynn):** You're getting close to the five-minute mark, Hugh, just so you know.

**Mr. Hugh Moran:** Okay. Thank you.

The industry is a viable stakeholder and wants to contribute to the Ontario economy, and it has done so for some 150 years at various levels. It is a safe, reliable, sustainable business that wants to continue to contribute. There are various ways that we can do that, but the fundamental part of this is to encourage the government, from a public policy perspective, to support future exploration and development.

**1310**

We're not particularly specific today with what we might talk about that the industry could use for support, and the industry has its own work to do in setting out a strategic plan, which we are working on. In working with the government, we expect soon to be able to form a working group with various ministries, including energy, environment and economic development, to work on possible ways to be able to stimulate, if you will, Ontario's own oil and natural gas patch.

That could include a key item in being able to determine where the energy is and hopefully get to that energy. Obviously, it's seismic activity that gives an indication as to where some of these reserves are. The reserves are there. It's important to be able to pinpoint where they are. Then, of course, once you start to drill a well, as I mentioned earlier, you're getting into lots of costs, and there are lots of risks.

Are the benefits there? Yes, the benefits are there in many ways, which we can talk about, whether it's energy, jobs, revenue for companies, investors, taxation—all those kinds of things.

As I mentioned, we certainly want to work and cooperate with the government on some of these initiatives, and we look forward to any assistance, advice or recommendations that you can provide the Minister of Finance, whom I had the opportunity to make a presentation to last year. I indicated to him that we were one of the organizations that hoped that we could help him fund the deficit that he is looking at and is being challenged to turn around.

I'd like to ask Mr. Veen to offer a few remarks of his own as well, and then we would obviously look forward to any questions that you'd be inclined to ask.

**The Chair (Mr. Kevin Daniel Flynn):** Okay. You've got about three and a half minutes left, including questions.

**Mr. Ian Veen:** Good afternoon. I don't think I'll need the three and a half minutes. I think he has covered pretty much everything.

The only thing is, if we don't stimulate this part of the economy, we're going to lose the services, businesses are going to start folding up, and I think that's the last thing we want to see here in Ontario.

I encourage everyone to give it some thought on how we can go forward. My thoughts are, if there's a drilling incentive, if the government can come up with some sort of a tax rebate, I think that would be a good start. And I think some of the businesses that are already here should also get a tax break. We're not working, so we've got to

do something to get us back to work. Really, that's the bottom line. Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Perfect. Do you want to go to questions?

Bob.

**Mr. Robert Bailey:** Yes. Thank you, Mr. Moran, and Ian as well, for coming in today and presenting. I know the industry very well, having been born and raised in Lambton county. As a young man, I worked in the same industry with many colleagues here from Sarnia-Lambton and, of course, out in Oil Springs and Petrolia, where you are from, Ian. I know your business as well, and I know a number of people who have either been downsized out of the industry or have just closed up shop or had to go west.

Like you say, I certainly would encourage—if you guys could put some ideas together and forward them on to the Chairman of the committee and also the Clerk, I know we'd be willing to take those forward with the minister. I'm certainly supportive of it.

I know the jobs that it has brought here to this community, both in the larger sense, in the petrochemical business and in the refineries, but also in the smaller businesses. You said you employed about 1,000, but I think there are probably 3-to-1 jobs. When those individuals are working, there's probably another two or three jobs: in restaurants, selling fuel, and repairs to vehicles as well. So it would certainly add to the whole economy.

**Mr. Hugh Moran:** Thank you, Mr. Bailey.

**The Chair (Mr. Kevin Daniel Flynn):** You've got about a minute left.

**Mr. Hugh Moran:** Okay. I think the important item—it's all about money and not about money—is about confidence. Indeed, if the government looks at this sector and thinks, "There are opportunities here that can help to stimulate and express that confidence"—we have work to do ourselves as an industry and industry association. Part of our objective this year is to promote the industry outside of Ontario, because the companies that are here—we talk about capital-intensive and all those kinds of financial risk—are open to have partners come here. But I think we can all understand that if someone wants to come here to do business, they want to feel comfortable and have confidence that they'll be able to do business here. There are various challenges with regard to drilling and production and those kinds of things, but that's fine. We're up front and want to be proactive in working with the government to do that. Collectively, we think that it has potential to be beneficial all around.

**The Chair (Mr. Kevin Daniel Flynn):** Wonderful. Thank you very much for coming today, Hugh. Thank you, Ian.

**Mr. Hugh Moran:** Thank you for your time.

**Mr. Ian Veen:** Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Good presentation.

## ALLIANCE OF ONTARIO FOOD PROCESSORS

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation is no stranger to these types of proceedings: former Speaker Steve Peters. Welcome, Steve.

**Mr. Steve Peters:** Thank you, Mr. Chair, and to the committee members, welcome to southwestern Ontario.

I appreciate the opportunity to address the committee today on behalf of the Alliance of Ontario Food Processors. There are over 3,000 food and beverage manufacturers located in the province of Ontario. Over 40% of that industry is in the greater Toronto area, which may be hard to believe. Mr. Holyday's and Ms. Cansfield's ridings in particular are home to many of Ontario's food processors.

The industry is predominantly small and medium-sized enterprises. Over 90% of the industry is less than 100 employees. A lot of the high-profile companies, some of those that have been in the news of late, represent about 1% of the industry in Ontario.

It's an extremely important part of the economy. Whereas oftentimes people think our economy drives on four wheels, we like to say there's an important engine that drives it, and that's the food and beverage sector: over 3,000 manufacturing facilities, with 125,000 employees, located all across southwestern Ontario. It contributes about \$39 billion a year to the economy and over \$5 billion in municipal taxes.

I think another important thing is that it adds value to what Ontario farmers produce and grow. Over 65% of everything that is grown or produced in the province of Ontario has value added to it by Ontario food and beverage manufacturers.

We do face some challenges within the sector. We've seen some high-profile announcements of late from Heinz and Kellogg's, and those are going to have a very significant impact on the economy of those communities but also those spinoff jobs that are associated with it.

But as much as we have some challenges, I think there are some tremendous opportunities with this sector. We know that we grow and produce some of the most healthy food in the world. Our food safety systems that we have in place are the envy of most countries in the world. It's why, in Mr. Berardinetti's riding, as an example, a company from China has purchased a baby-food plant to produce product here, because of the high reputation that that product will enjoy with the emerging economy in China.

We felt it was important, as an industry, to chart where we're going and where we've been, and we produced a report this past October. Instead of going out and consulting again, we pulled 125 reports off the shelf and looked at what people had already been saying for the past 10 years. What they've been saying today really isn't much different than 10 years ago: There is opportunity within this sector, but we need to make sure that we have partnerships with all levels of government.

One of those areas is certainly in the regulatory environment area. We commend the province for what they've done with their Open for Business initiative, but we know that there's a lot more work to be done on the regulatory front, and certainly we need people to be specific on some of those regulatory issues. When we talk about the regulatory environment from a food processing perspective, that environment also includes the municipal and federal governments as well. Many of the rules, whether it's through the Canadian Food Inspection Agency or Health Canada, impact labelling; from a federal initiative, impact on the industry. A lot of municipal bylaws etc. also impact the industry.

We would be encouraging the province to take the Open for Business initiative further and find a way to engage the municipal and federal governments so that for all manufacturers, whether it's food processing or others, there would be one stop to deal with, instead of a multi-window approach in trying to deal with the regulatory environment.

As well, we commend member Bob Bailey and his work with the Local Food Act for getting the tax receipt for the farmers. We also believe we could take that a step further. Ontario food processors have been generous supporters of Ontario food banks over the years, but we realize we could do more, and we think that taking Mr. Bailey's amendment that was made to the Local Food Act and finding a way to engage food processors through some sort of a tax receipt system could better support our food banks across Ontario. So we would encourage you to take that a step further.

As well, the Alliance of Ontario Food Processors is part of a coalition of Ontario manufacturers dealing with competitive hydro rates in the province of Ontario. There are a number of input challenges facing the food sector. The parity with the American dollar has certainly been a challenge; we'll see some changes there. But a lot of those input costs are challenging as well, and those input costs can include anything from water to gas to electricity and labour and so on.

### 1320

We are supporting the Coalition of Ontario Manufacturers in their efforts to try and see an industrial power rate established for the province of Ontario. We think that could go a long way to help level the playing field and help support Ontario manufacturers going forward.

As well, I'd like to address another area. It relates in some ways to the job losses that we've experienced in Leamington and London of late, and a number of other losses that we've seen within the food and beverage sector, and that is what we need to do to retain our industries here in the province but also to attract new investments here in the province of Ontario.

As I said earlier, historically the focus of governments of all stripes has been to support the automotive industry. I come from an area that has seen the loss of the auto industry and how important it was to the economy. But far too often, the food and beverage sector has been overlooked. We've been one of the bright lights in an

economic downturn since 2008. We've actually enjoyed growth within the sector. There has been a lot of attention paid to investments being made in green energy and investments in the auto sector. We think the time has come for the development of a processor retention or attraction fund, a multi-pronged fund ranging anywhere from \$100 million to \$150 million over three years, that would help companies make investments in innovation and productivity. We think that there is some tremendous opportunity to move forward with a retention-attraction fund. There are programs in place—Growing Forward 2 provincially and FedDev Ontario—but we feel that a dedicated fund from the province of Ontario could go a long way to help to encourage new investment.

As I said earlier, 65% of everything that is grown or produced adds value. As we talk about wanting to encourage new processing opportunities, maybe some things coming out of the Local Food Act—again, because such a large part of the sector are small and medium-sized entrepreneurs, we think that programs put in place could be very supportive to help the industry move forward.

We're excited about the opportunities that exist within food processing. As I say, every one of your ridings has a food processor in it. It may be a small family-run operation to a large multinational, but we need to make sure that we're focused on all of them. There's some tremendous work going on within the city of Toronto through the Toronto economic development and Michael Wolfson, who is responsible for their food industry; there are some interesting initiatives going on there.

As I like to say, we have all the ingredients in this province of infrastructure: We have the people; we have the farmers; we have the municipalities; and we have amazing post-secondary education, whether it's the University of Guelph, Niagara College, George Brown College, Durham College, or Conestoga College, which is home to the Institute of Food Processing Technology. We have all these great assets out there, and one of the reasons we came forward with a plan is that we feel that we need to get both levels of government to buy in to support this industry.

Mr. Chairman, we will be writing to the minister with some of the comments from today, and we'll copy the standing committee on that. With that, I thank you for the time and would be very welcome to answer any questions that you may have.

**The Chair (Mr. Kevin Daniel Flynn):** That's great. Thank you, Steve. You've left a lot of time for questions: about six and a half minutes. Either Mike or Peggy, Peggy?

**Ms. Peggy Sattler:** Yes. Thank you very much for the presentation, Steve. I know that you're representing the province of Ontario, but your base is in southwestern Ontario, and a lot of food processing takes place there. I understand that the Southwestern Ontario Development Fund is available to the food processing sector. I wonder if you could talk about the effectiveness of that fund. I'm guessing that it hasn't been particularly effective, be-

cause you're suggesting that there be this new fund created. But I just wondered if you could comment on the current SWOD fund and if it is working in your sector. Could it be leveraged better? What would be the difference between that fund and this new fund that you're talking about developing?

**Mr. Steve Peters:** Thank you very much for the question. Through you, Mr. Chair, to Ms. Sattler, to specifically answer your question, I'm not aware of any food processors who have taken advantage of that fund, but that's not to say that that hasn't happened. I haven't seen any specific announcements.

One of the challenges with that fund is that it is a fund that is in place to support the whole of the manufacturing sector, and that could be anything from food processing to auto to oil to plastics.

What we're advocating for is a dedicated fund that is going to be there specifically to support new investment, either attraction or retention, of food processors. Sometimes, through an application process, it could be challenging for a food processor's proposal to be judged against another sector's. I'm not taking away from the fund. I think that, between that fund and the renewed mandate of FedDev southern Ontario and its \$900-million fund, there are a lot of opportunities. We, though, are advocating for a specific fund.

**Ms. Peggy Sattler:** And would the criteria for this specific fund that you're advocating be similar to SWODF, so it would be available for firms looking for capital expansion or the purchase of—I think you can use it to expand or buy equipment. Is that what you're looking for? What were you thinking the fund would support?

**Mr. Steve Peters:** One of the most important areas, I think, to support Ontario manufacturers is going to be in investments in new capital investments and equipment to help to improve productivity, similar to what we witnessed. Sometimes productivity comes at a cost of loss of some jobs, but we do see—as an example, the Cargill decision in London in December where we lost some jobs, but that company is going to become more productive down the road, which is going to help keep them stronger in the long term.

There are limitations on the southwestern Ontario fund in that it is limited to southwestern Ontario. You do have the eastern Ontario fund as well. What we would advocate for is a dedicated food industry fund that would be able to support investments, whether they're in the GTA or in northern Ontario—that this is a fund that would support investments all across the province.

**Ms. Peggy Sattler:** Another question: You mentioned the excellent partnerships that you've created with the post-secondary sector, and you talked about some specific post-secondary institutions that you're working with to develop the labour supply for your industry. I wondered if you had any comments about other things the government could be doing to ensure that the skills that your sector needs are being developed through the post-secondary education system.

**Mr. Steve Peters:** Mr. Chair, through you, I thank the honourable member for the question, because when we released our report, one of the areas that we identified is developing talent and a future in food. There are some tremendous opportunities. Look at the University of Guelph and some of their agricultural science programs: There are five jobs for every one graduate right now. So we see a lot of opportunities.

Some specifics that I would recommend that the province look at include a one-stop shop for people, for students or second careers—to have a one-stop shop where they could go to know of every food and beverage opportunity post-secondary in the province. There really isn't; you almost have to go right now to each particular community college or university to see what programs are out there.

The other area that we would recommend is within our high school system. That is a specialist high-skilled major. There are two pilot projects going on in the province, one in Ottawa and one in Hamilton, right now. The specialist high-skilled major for food processing: We would like to see that expanded to all of our high schools across the province, similar to the specialist high-skills major that exists within agriculture. So those are two areas where we think some more could be done on the educational front.

**Ms. Peggy Sattler:** Do you have a question?

**Mr. Michael Prue:** If there's time.

**The Chair (Mr. Kevin Daniel Flynn):** You've got about a minute.

**Mr. Michael Prue:** A minute. Okay. Let's switch gears here a bit, to the different power rate for industry. People have been talking about this for a long time, but it really hasn't happened, and part of it is the push-back that many people would get from consumers: "Why should I pay for industry's power rate? I can't even afford my own." Any thoughts on how we get around that? If you're asking for a different rate, how do we get around telling consumers that they have to pay the higher rate but manufacturers don't? I know it will create jobs, but how do you get around that?

**Mr. Steve Peters:** It is a very difficult scenario to deal with. That's why I would encourage the committee to take a really hard look at the Coalition of Ontario Manufacturers for Competitive Industrial Power Rates. They have laid out a number of scenarios in there, a number of options that could be available to government, through the Ministry of Finance, to try and mitigate some of those issues. It is a difficult balance, and I think it's one that's a political challenge; no matter what political stripe, it's a difficult one to message. But again, I would steer the committee back to the coalition's report—if they haven't presented it to you already, I know that it is coming—because they do lay out a number of strategies that I think could be available to help assist moving forward.

1330

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Steve. Always a pleasure to hear from you.

**Mr. Steve Peters:** Thank you, Mr. Chair.

**Mr. Michael Prue:** A total pleasure.

**Mr. Steve Peters:** Thank you. Have a safe journey to Thunder Bay.

**The Chair (Mr. Kevin Daniel Flynn):** Thunder Bay? I thought we were going to Tampa Bay.

*Laughter.*

**The Chair (Mr. Kevin Daniel Flynn):** Wait a minute.

## BIOINDUSTRIAL INNOVATION CANADA

### ONTARIO FEDERATION OF AGRICULTURE

**The Chair (Mr. Kevin Daniel Flynn):** Okay. Our next presenter this morning is from Bioindustrial Innovation Canada and the Ontario Federation of Agriculture. Don and Murray, thank you for coming today. Make yourselves comfortable. If you could introduce yourselves before you speak for Hansard, so that they know which one of you is speaking. You have 15 minutes; use that any way you see fit. The questions this time will come from the government side.

**Dr. Murray McLaughlin:** Okay. Thank you. I appreciate the opportunity to present today. You're just getting a copy of the presentation here. We'll go through that fairly quickly, and then hopefully have some time for questions.

My name is Murray McLaughlin. I'm the executive director of Bioindustrial Innovation Canada, located here in Sarnia. We've been here for six years now. Our role has been one of helping to facilitate the commercialization of green and sustainable technology here, and building a cluster in the Sarnia region over the last five years. I think we'll touch a little bit on some of that as we go through. I'll just wait until everybody gets a copy of the presentation to start, but it has been an exciting transition for the community to move from a straight petroleum community to a hybrid chemistry community here in Sarnia. We're looking at how we can help move that to a broader base around the province.

Now that everybody has got the presentation, we'll start. The first slide, of course, is just developing the Ontario bioeconomy and the role of Bioindustrial Innovation Canada. I will comment quickly on the pictures here. The first picture, obviously, on the left-hand side, is forestry. The one in the centre touches on agriculture, but that particular picture comes from Denmark, in Copenhagen, where I was last year, visiting some of the activities there. The agricultural community sells a lot of biomass into the energy and chemical industries in that country. They have a very strong focus on bioindustrial and development of that sector, from agriculture through to chemicals. The one on the right-hand side is actually located here in Sarnia. That's out at the research park, at Woodland Biofuels' pilot facility that's set up here in Sarnia to take wood chips to fuels.

Slide 2: bioindustrial innovation, unlocking Ontario's bioeconomy potential. It's just talking about some of the

key roles that we've had: accommodating research and providing a plug-and-play pilot facility here in Sarnia for companies to come in and utilize the facilities. It brings together business and government to focus on the commercialization of bio-based and sustainable chemistry, and it supports new companies through the Sustainable Chemistry Alliance investment fund that we've had for the last five years, investing in early seed-stage start-ups. We also focus on building the hybrid chemistry value chain concept here in Ontario.

The next slide just gives you an idea of the bio-economy future. You'll see a few black dots around the province. You'll see the one with the green circle here in Sarnia, which we've progressed quite well over the last five years. It's a lot of work now to really move Sarnia into a true hybrid cluster, but we've gained a lot of momentum. The other black dots are where there are opportunities. I noticed that I missed one; there should be one over between Trenton and Prescott, as well, on the east side of the province, and also one up in Thunder Bay, as opportunities to build other clusters in this sector, between forestry and agriculture.

The next slide, slide 4, is integrating into the hybrid chemistry value chain, creating jobs and economic prosperity. If you look at the light blue cycle, that's the program that has been around for probably 60 or 70—well, over that; 150 years, I guess, if we think back to when oil was first taken out of the ground. It has really taken fossil-based feedstocks all the way through to the end user, the consumer, and all of the steps on that chain: the fuels, chemicals, plastics and then advanced manufacturing.

The bio-based industry fits in two areas. The bio-based feedstocks go into fuels or chemistry, and the bio materials go into the finished products, which could be anything with wood fibres in it.

Moving on to page 3—"Bioindustrial innovation: Canada mission"—our mission is to create jobs and economic value sustainably for Ontario. How we do that is by really looking at commercializing bio-based and sustainable chemistry technologies through networking and investment. Then we catalyze that establishment of networked hybrid chemistry clusters here in the province and focus on delivering commercialization.

The next slide, I think, which is probably one of the more important ones here in this set, is how we've had a balanced portfolio, with a focus on the hybrid chemistry value chain here in Sarnia, and what we've accomplished over the last five years. We only had \$5.5 million for investing in start-up companies; we invested that in 13 companies. We've leveraged \$143 million against that \$5.5 million. We've seen two of the companies do IPOs and one company go public. So we've seen probably close to about \$389 million leveraged against \$5.5 million so far.

Jobwise, we've created 243 direct jobs. To this point, we've seen 1,256 indirect jobs against that, and we're seeing 665 construction jobs take place in this time period around the investments that we've done, with the

12 investments. So it shows you the opportunities that can take place.

The next slide: The hybrid chemistry cluster here in Sarnia is the model to replicate across the province. It just really touches quickly on what's here.

(1) Canada's existing chemical industry in Sarnia forms the cluster foundation: access to energy, skilled labour and highly qualified personnel; the pipelines, the rail and other parts of the infrastructure; and ready access to the North American markets. As most of you would know, we're within a 10-hour truck drive of 55% of the US GDP. Local colleges and universities are active in research on the bioeconomy.

(2) Support of Ontario's farmers and foresters to provide the biomass needed: We work very closely with Don and the OFA on a lot of that on the agricultural side here.

(3) Start-up bio-based and sustainable chemistry companies, bringing innovation and full commercialization to the community: We're seeing pilot facilities and we're also seeing full-scale plants now.

(4) Availability of brownfield land developed into biochemical businesses such as primary chemical building blocks, polymers, and biomass production from local CO<sub>2</sub> sources for use as fuels and chemicals.

The next slide is "Priorities to advance the Ontario bioeconomy: where to put our focus." Ontario needs to develop a well-articulated vision and integrated approach to the bioeconomy. Commercialization of first-generation technologies remains challenging. Access to capital and fostering risk-sharing with government must be a priority to bridge that valley of death. A top priority is demonstrating success in commercialization of technology in Ontario.

I think BIC has a proven track record supporting the emerging bioeconomy, and I think that's an area and a model that could be looked at for the future.

We were structured, and have been structured, as a CECR program, so our funding has been federal funding in the past.

Priorities to advance Ontario's bioeconomy—the next slide—and where to put our focus: Recognize that this is a new growth sector that will need support. Invest in Ontario manages programs that are designed to provide support. We need to make sure we maintain those programs, as we want to try to attract more companies to the province.

Growth in rural Ontario will be dependent on an industry that will complement the food industry—agriculture biomass to chemicals and non-food products. We recognize that it is a new future to create rural jobs and businesses. We need to design support programs that are effective and timely to move those forward.

The picture in that particular slide, by the way, is the Lanxess Bio-Industrial Park. You see some heavy equipment in the background. That's where BioAmber is building their first full-scale succinic acid plant. That is a US-based company that we were able to convince to move from research and development to full-scale commercialization here in Canada, here in Ontario.

The next slide is “Priorities to advance the Ontario bioeconomy: where to put our focus.” The emerging global bioeconomy has a home in Ontario that will complement Ontario’s food and forestry industries. We need to recognize now that the future is here. The time for the Ontario government partnering with Ontario feedstock providers and global technologies is today. It is an opportunity to lead growth in rural and urban jobs, and I think BIC, Bioindustrial Innovation Canada, is a catalyst to help make that happen.

1340

Just in summary, Ontario can take a global leadership position in the bioeconomy. Bio-based chemicals and biomaterials are the opportunities. Agriculture and forestry and waste are the sources of conversion materials. Homegrown technologies and international attraction will establish the bioeconomy companies, and the outcome will be rural development and jobs for the 21st century through cluster development. BIC is a model to build the bioeconomy and clusters, with five years of experience and knowledge in this sector. Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** That’s wonderful. Thank you, Murray. Questions from the government side? We’ve got about four minutes left.

**Mr. Bob Delaney:** About four years ago, when I was with the Ministry of Research and Innovation, I had a very pleasant morning coming out here to speak with your business incubation group, and what you’ve presented here shows that you’ve continued along the very ambitious path that I saw laid out four years ago.

Let me just ask you an open-ended question. What has been working and what needs some improvement?

**Dr. Murray McLaughlin:** That’s a good question. I think the big thing that works in this community is that it’s a community—whether it’s industry or the local community, county and so on, whether it’s on the government side or the industry side—that is behind this effort. They recognize that this is a shift that Sarnia needed to take, and they all got behind that or got on the same train, so to speak, and said, “This is where we’re going, and let’s just get on with it.” We don’t have a lot of naysayers around this community saying, “This is not what we should be doing.” I think that’s a big step for anybody in any community that wants to build a cluster. That’s the starting point.

I’ve been involved in other clusters in the past. I think the other major cluster that I was involved in was Saskatoon, when we built an agricultural technology cluster out there in the 1990s. We went from three companies to 40 companies in six years with that same kind of mantra around it.

**Mr. Bob Delaney:** What are your prospects here among the companies that have been nurtured—and you’ve done a very good job of explaining that—in terms of their export potential?

**Dr. Murray McLaughlin:** Most of them will end up being exported. If we look at BioAmber, for instance, they’re building succinic acid here. They’re partnering with Mitsui in building the plant. The bulk of their

succinic acid will be exported. My challenge, or our challenge, I think, is eventually to convince Mitsui that they need to build a plant right next door to that and take the succinic acid and add value further downstream.

Those are the kinds of things that will eventually happen. You get a product now that gets used in recycled materials—biodegradable plastics and so on—that will fit around the world. We want to be able to really move as close to the consumer as we can with those products.

**Mr. Bob Delaney:** The reason I ask: You talked about your great success in leveraging the investment made in you, with which, by the way, I very much agree. Anyone who travels even a little bit in Asia is struck by the enormous amounts of capital available for investment just about anywhere. You’ve described a lot of the products that by their very nature are good prospects for export. I’m wondering, in terms of attracting capital, what activities you’ve undertaken and what help you might need in that.

**Dr. Murray McLaughlin:** That’s a good question, and I think it’s an important one because the financing is probably the biggest challenge we have here in Canada around these types of technologies or any type of technology today.

Actually, I agree. The Asian markets are our real opportunities from an export perspective. We actually have MOUs with Malaysia and some other countries; we’re talking to Australia as well right now and some European countries to exchange information and ideas. We’re really reaching out to look at where the opportunities are.

But financing is the biggest challenge. We had, as I mentioned, \$5.5 million. We were able to leverage that a lot. Out of that \$140 million, I’d say about \$100 million to \$110 million of that is non-government funding. The rest of it came from various programs like STTC, which is a federal program; some of it came from Invest Ontario and various aspects of their programs as well to help companies like BioAmber. But the bulk of the money does come from the private sector.

**Mr. Bob Delaney:** How can the province help you connect better with some of your prospective buyers?

**Dr. Murray McLaughlin:** I think the companies do a pretty good job of connecting with the buyers. It’s good to have the province onsite, understanding that that’s important, attracting these companies there. As they do come in, we want to make sure that the programs are in place that are going to help them, but you also have to attract companies here—BioAmber was attracted here. We also have home-grown companies that we’re working with. It’s the two hand in hand: home-grown and attracting better, so there needs to be support in both sides of those programs.

**The Chair (Mr. Kevin Daniel Flynn):** That’s great. Thank you very much for coming today, Murray; we appreciate it. Don, thank you, too.

## COMMUNITY LIVING TILLSONBURG

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation today is from Community Living Tillsonburg: Marty, Dr. Demaiter and Michael. If you'd like to make yourselves comfortable wherever you like. Thank you very much for joining us today. Like everybody else, you get 15 minutes; use that any way you see fit. If there is any time for questions, it will come from the Conservative Party today. I'll let you get settled and I'll start the clock.

**Dr. Urbain Demaiter:** I'm up first, I guess. We want to start by thanking you for the recent apology from the Premier and for the development of the settlements that were made to the people in institutions.

We would also like to remind the government that it took the efforts of the government and the community to finally close the institutions in 2009. It took a multi-year plan and it also took a timetable along with resources to complete that. We are here today to talk about the need for another multi-year plan.

**The Chair (Mr. Kevin Daniel Flynn):** Could I jump in a second? I'm sorry. Because you're all men, they won't know which one is speaking, so you might want to introduce yourselves.

**Dr. Urbain Demaiter:** Okay. My name is Urbain Demaiter. I'm the first speaker.

**The Chair (Mr. Kevin Daniel Flynn):** Super. Thank you.

**Dr. Urbain Demaiter:** I guess I should have done that initially; I'm sorry.

**The Chair (Mr. Kevin Daniel Flynn):** No, everybody does the same thing. Don't worry about it.

**Dr. Urbain Demaiter:** Our organization has over 58 years of experience working with children with special needs and their families. Initially, we were organized by both parents and friends so that children with special needs would be able to remain in their communities rather than leaving to go to institutions.

Community Living Tillsonburg is located at the Livingston Centre. We are one of five partner agencies that are located at this site, along with 11 associated agencies. We utilize 42,000 square feet of space for all the services.

We are a model of agency co-operation and community capacity-building that tries to ensure the effective use of community resources for the benefit of the citizens of our community. We extend an invitation to you so that you can see what we have accomplished. We have federal, provincial and municipal services, along with community organizations, all under one roof. We are also providing you with the website address of the Livingston Centre, so we hope that you can join us sometime in Tillsonburg.

We would like to make reference to the data summary report that we have provided in our briefing to you. This data has been provided by Developmental Services Ontario South West Region. The data shows that for the past year there were 1,098 requests for group living and

928 requests for supported independent living in the southwest region. Of those requests, 33 people were able to get group living supports and 42 people were able to get supported independent living supports.

In Oxford county, there were 56 requests for group living and 79 requests for supported independent living. In Oxford county, one person received group living and eight people received supported independent living supports.

Today in the southwest region, there are 1,457 families with children with special needs who are receiving Special Services at Home funding. There are 942 families on the wait-list.

It was not that long ago that we used to see the wait-lists for supported services at home eliminated or considerably reduced. We know that families are healthier when they get the supports they require and the respite they need. In our business case of 2011, we alerted you to the concern about growing wait-lists. We are prepared to take them on with you. You need to unleash the creativity of the community to address this crisis.

The government needs to work with the community on a multi-year plan to address those on the wait-lists. We need to be able to address those needs that are urgent and pressing, such as families who are no longer able to care for their son or daughter. We also need to get assurances to those who are still caring for their children so that we are ready when they need the supports and services for their children.

1350

We ask you to review MPAC and the effects of property taxes on charitable organizations. The government may help us and many any other organizations if it reviews the implications of tax exemptions available to organizations. We have had historical exemptions—for example, for our head office—and these exemptions are lost if and when we move to another location.

We have provided you with a copy of our Divisional Court ruling, and we quote from it: "It may be that well-reasoned public policy arguments can be advanced to support broader criteria for exemption that would benefit the appellants, but it is for the Legislature to decide whether or not those arguments should lead to legislative change."

Currently we are paying \$30,000 for two locations, and these resources would be better utilized for supporting people.

As an agency, we experienced the strikes of 2007. In 2010, we were directed by the government to negotiate reasonable contracts. Later we were advised that these contracts would not be funded, as a wage freeze was being introduced. We have been managing these costs by reducing our staff. We cannot provide wage increases without government funding.

Unfortunately, our agency and our sectors get thrown into the broader public sector mix. There is a misconception that we have full pension plans and wages that reflect current pay standards in our society. We continue to be sectors that are undervalued. We may achieve pay

equity only if we self-fund it by eliminating positions and services. This is not acceptable.

We watch as the government tells us that the Ministry of Education needs new legislation to support the negotiation process between the three parties of school boards, unions and the government, yet we do not see the same concern with regard to our sectors. We remind you that over 102 contracts are coming due during fiscal 2014-15. Our past two experiences were not helpful, and we wonder what the experiences of 2014-15 will be.

As with many other sectors, we believe that we are being overregulated and there needs to be a better balance between what is required to meet standards and to ensure quality. There is also a balancing of the rights of the individuals and how we may be overregulating the lives of people.

We would recommend that the government work with our sector in reducing red tape and regulations. We can present you with many examples, but the most significant one is that when you turn 18 years of age, you lose your Special Services at Home and you may have to wait in line for services that you have been receiving for many years.

I now turn it over to Michael.

**Mr. Michael Kadey:** My name is Michael Kadey. I am a director on the board of directors for Community Living Tillsonburg, and also the vice-president of People First Tillsonburg.

Poverty issues: We have been trying to influence the social assistance review recommendations and poverty reduction strategies. We still struggle with our budgets with the current levels of income support. We know that when we do have jobs we have more income, but it's still pretty confusing. We have to submit what we earn each month and see our income support go up and down based on what we earn. We want to work more, but jobs are hard to find.

We recommend moving to a quarterly—or, like taxes, annual—report. We recommend higher amounts of earnings to be kept before clawbacks. Again, a private member's bill was proposed this last year, and we have included that in our materials.

We also contribute to our community in many ways. When we have the right supports to have a job and participate in our communities, we help just like everyone else. We raise money for the Relay for Life. We volunteer in nursing homes, Meals on Wheels and child care centres, and we help the BIA decorate our downtown and help keep it clean.

We have provided you with the ODSP Action Coalition disability declaration, and we hope that you reflect on it as you make your recommendations. We are active with the ODSP Action Coalition and have included a document of theirs in the package. We are generally concerned that people with disabilities have been seeing their benefits reduced.

Marty?

**Mr. Marty Graf:** I'm Marty Graf. I'm the chief executive officer for Community Living Tillsonburg. I

just wanted to touch on a few other areas. One is in regard to housing and that many Community Living organizations have developed the capacity for property management through our partner corporations. We provide a mix of different housing options that include specialized housing and accessible housing, and we ensure that the rental rates are affordable and done under the not-for-profit model. We recommend that the government work with us to expand housing options that are required. We have worked with the financial institutions over the years to develop our housing options, and they need to be included as part of the plan.

Under employment, we've been involved with a group called ODEN, and we recommend that Ontario consider an employment-first strategy as explored at the recent ODEN conference. When the labour shortage does hit, people with disabilities will be seen as one of the solutions. We believe that people's lives are enriched when they are able to participate in the workforce.

Our children's services have also provided you with a list of their recommendations, and we know the value of respite and developed effective strategies with families. We developed funding from many different sources to ensure that families get the breaks they need over the summer and during school breaks. We're now into our third ministry for our children's services over the last 15 years, and there is instability in the child care system as the full JK and SK system continues to unfold. As a government, you need to stabilize the remaining child care system. There is concern that as we shift into our third ministry, no one will know or understand what we do at the community level to help sustain families. Again, our children's services have provided you with some recommendations.

In summary, we thank you for the opportunity to present today. Community Living and similar agencies are ready to work with the government to develop this multi-year plan to ensure that people who require services will be able to get the services they need. We remind you of the government's campaign. Don't waste time.

**The Chair (Mr. Kevin Daniel Flynn):** Wonderful. Thank you, Marty, Urbain and Michael. There's about three minutes left for questions, and it'll be Toby.

**Mr. Toby Barrett:** Yes. Thank you, Chair, and thank you, Dr. Demaiter and Marty and Michael. If I can quote Michael again—this is already in Hansard—I think you said, "We want to work more."

**Mr. Michael Kadey:** Yes.

**Mr. Toby Barrett:** That summarizes a lot of what we've been hearing on the finance committee for a number of years. In fact, I think it would be four, maybe five, years ago that all three parties on the finance committee agreed to one or two motions adopted by this committee with respect to better enabling people on social services, and more particularly ODSP, to be more involved in the community, to volunteer or to work part-time—full-time perhaps, eventually—and to keep more of the money.

It's interesting that that came forward in the report, as I recall—the finance committee. It was mirrored in the Gail Nyberg report, which goes back to—gosh, I have the date here—May 2010, Gail Nyberg's report on social assistance. After that, Frances Lankin brought out her comprehensive report, which again focused on the value of employment. She came up with something like 100 recommendations. But we haven't seen much beyond these studies.

The clock is really ticking, and I just wonder—and I guess maybe my interest is, as you say, to be more involved in working. Just to cut to the chase—you've covered so much here, and I've been working with Tillsonburg Community Living, or TCL, for 18 years now—where are the priorities? Is it still employment, and how can we fast-track this because so much time has been wasted?

**Mr. Marty Graf:** There are many priorities that have to be dealt with at the same time. People need housing, people need jobs, but most importantly people need access to the supports and services they require to be able to get to the point where they can have a job. There are so many people without the services and I think that the stats we provided to you today show that people aren't getting connected to the services they need. They're having to sit on long wait-lists. If somebody has finished school, to have them sit for three or four years after that, before they get reconnected to services, is not in anybody's interest. That is having people waste their talents sitting at home.

1400

**Mr. Toby Barrett:** You make mention in your report of system barrier number one with the income supports service, where if someone is working part-time, they lose 50 cents on every dollar, which for many of us is a disincentive. Even though everybody wants to work, when half the money gets clawed back—

*Interjection.*

**Mr. Toby Barrett:** Oh, the bell did go?

**The Chair (Mr. Kevin Daniel Flynn):** It did go, but let's keep it short.

**Mr. Toby Barrett:** What can we do? Why is there this situation where people don't get to keep more of their own money?

**The Chair (Mr. Kevin Daniel Flynn):** A very short answer.

**Mr. Toby Barrett:** Sorry.

**The Chair (Mr. Kevin Daniel Flynn):** That's okay.

**Mr. Marty Graf:** Your bill, I believe, proposed \$700, that somebody could earn up to \$700 a month before the clawbacks would begin. A person would benefit considerably from having access to the extra resources. The economy will benefit because that person will just be putting that money back into the economy.

**Mr. Toby Barrett:** Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** That's wonderful. Thank you very much, Marty. Thank you, Urbain and Michael, for coming today.

**Mr. Michael Kadey:** You're very welcome.

**Mr. Marty Graf:** Thank you.

## ONTARIO UNDERGRADUATE STUDENT ALLIANCE

**The Chair (Mr. Kevin Daniel Flynn):** Our final delegation of the day is the Ontario Undergraduate Student Alliance. Amir and Rylan, if you'd like to come forward. Make yourselves comfortable.

**Mr. Rylan Kinnon:** Thank you very much. There was a change. Adam Garcia, our vice-president, academic, is with us today instead of our president, Amir.

**The Chair (Mr. Kevin Daniel Flynn):** That's what I thought.

**Mr. Adam Garcia:** Administration.

**Mr. Rylan Kinnon:** Administration. Of course.

**The Chair (Mr. Kevin Daniel Flynn):** Make yourselves comfortable. Fifteen minutes, like everybody else. If there's any time left over for questions, it will come from the NDP.

**Mr. Rylan Kinnon:** Great. Well, first of all, we'd like to thank the committee for having us come and present to you today. My name is Rylan Kinnon, and I am the executive director of the Ontario Undergraduate Student Alliance, which is also known as OUSA.

**Mr. Adam Garcia:** My name is Adam Garcia, and I am the vice-president, administration, of OUSA, and the vice-president, education, at the Federation of Students at the University of Waterloo.

OUSA represents the interests of over 140,000 undergraduate and professional students at seven universities in Ontario, and advocates on their behalf to the provincial government to create a more accessible, affordable, accountable and high-quality post-secondary system in Ontario.

Today we wish to discuss how the government can use post-secondary education to help meet the Premier's commitment in the 2013 throne speech to creating a stronger economy and a fair society.

A post-secondary education not only benefits students but Ontario citizens and our province's economy. Post-secondary graduates not only fare better in the job market but pay more taxes, use less government services and are less likely to commit crimes.

OUSA has developed a number of strategies that we believe can contribute to the creation of a more fair society in Ontario. Students believe that the government must work to ensure that Ontario's investments in post-secondary financial assistance are fair, effective and will equalize post-secondary participation rates.

Students also believe that the government should ensure that all students are exposed to co-operative learning experiences in study that will increase their success upon graduation.

Finally, students believe that the government should prioritize teaching quality in Ontario's institutions by ensuring excellent teachers are treated just as equitably as excellent researchers.

**Mr. Rylan Kinnon:** The first topic we would like to discuss is ensuring Ontario's financial assistance investments assist those with the most need.

Over the past decade, Ontario has seen a significant increase in post-secondary participation at its colleges and universities, meaning more and more Ontarians have been able to access the benefits that come with a post-secondary education. Unfortunately, this increase in participation has not been felt equally, with particular groups of Ontarians left out as the more privileged members of our society have seen their participation rates drastically increase.

Aboriginal Ontarians, Ontarians living with disabilities, and low-income Ontarians continue to face a significant university participation gap compared to the general population. If we wish to leverage post-secondary education in creating a more fair society, this gap must be addressed.

The true and perceived costs of post-secondary education are consistently identified as barriers to post-secondary participation, which undoubtedly contributes to the post-secondary attainment gaps based on income that persist within our higher education system. Unfortunately, despite Ontario's generous financial aid system, 11% of students still find themselves without sufficient financial assistance to meet their needs. We must close this gap to close the participation gap.

In the context of unequal participation and of financial need unmet by the province, Ontario must ensure that our financial investments are targeting those with the highest need. Ontario expects to spend \$340 million this year on tuition and education tax credits, despite the fact that it is widely agreed that, for a number of reasons, these tax credits are ineffective and inefficient.

First of all, tuition and education tax credits primarily benefit high-income students. These tax credits perpetuate the access gap as they provide the most benefit to high-income students and the least benefit to students with the highest need. The most recent estimates are that families in the highest income quartile claim an average of \$2,000 a year, while families in the lowest income quartile claim only \$520.

Secondly, as tax credits are non-refundable, only one in three students can earn a sufficient income to benefit from credits while in study.

Thirdly, tax credits paid out in April do little to help students pay tuition in August or September or to meet their living costs throughout the year.

Finally, because tax credits are poorly understood, they do not increase the perceived affordability of post-secondary in the province.

In February 2012, the Drummond commission's report called for the conversion of tuition and education tax credits into upfront grants. More recently, reports from the Institute for Competitiveness and Prosperity in October and the C.D. Howe Institute in November have called for the government to reallocate spending on tuition and education tax credits to ensure that they provide more targeted and/or timely assistance to students with the highest need. All those who have considered tuition and education tax credits agree that they are an ineffective and inefficient investment.

In 2012, the Quebec government was the first jurisdiction in Canada to take positive steps towards converting tuition and education tax credits. On the urging of student associations, the government reduced the tax credit rate from 20% to 8%, using savings to fund increases in the province's financial aid system. This is a change worth emulating.

With this in mind, we recommend that the government cease issuing new tuition and education tax credits and allocate year-to-year savings into existing financial assistance programs. The available funds generated through tax credit elimination will be approximately \$340 million.

We recommend that the government make the following improvements to existing financial assistance and grants programs using the savings from tax credits.

First, we recommend that the government extend aboriginal students' and students with dependents' eligibility for the 30% Off Ontario Tuition grant to four years, regardless of graduation date, at an estimated cost of \$19 million. We also recommend that the government increase the amount of tuition offset by the 30% Off Ontario Tuition grant to 35%, at an estimated cost of \$70 million.

We recommend that the province reduce OSAP's unrealistic expected parental contribution, which leads to many middle-class students with significant need being ineligible for financial assistance, by harmonizing with the federal contribution criteria. This is at an estimated cost of \$40 million.

We recommend that the government address rising student debt by progressively lowering the Ontario Student Opportunity Grant debt cap from \$7,300 to \$6,300, at an estimated cost of \$121 million.

Finally, we recommend that the government address OSAP's up-to-30% underestimation of living costs by increasing the monthly OSAP living allowance by \$250 per month in order to align it with the after-tax low-income cut-off. This would be at an estimated cost of \$90 million.

As a whole, OUSA's proposed aid package will significantly improve the landscape of financial assistance in the province. It will provide Ontarians with more non-repayable financial assistance and better access to assistance that more closely meets their needs, all while reducing public debt in the province. Furthermore, all of this can be done at no new cost, by repurposing ineffective investments in tuition and education tax credits.

**Mr. Adam Garcia:** The second topic that we would like to discuss, and it's very important to me as a University of Waterloo student, is expanding and equalizing in-study co-operative education opportunities that ease graduates' transitions into the labour market.

It is widely understood that the employment market for today's youth is a challenging one. Students appreciated the province's announcement of the youth jobs strategy in the 2013 budget as a significant investment to address this challenging issue but believe that there is

more to be done, particularly to assist recent graduates in transitioning into the labour market.

Given that university graduates have the best long-term employment outcomes, pursuing a university education is not the cause of students' difficulty transitioning into the labour market, as some may have inferred. Instead, it is that some university students are not being provided educational opportunities that allow them to demonstrate the real-life value of their studies and develop more practical or job-specific skills.

Co-operative education opportunities present students with an opportunity to enhance their employability and increase their earnings. In Ontario, 82% of employers who offered work-integrated learning offered post-graduate employment to a former co-op student or intern. Furthermore, students who had undertaken a work-integrated learning opportunity during their studies earned between \$2 and \$3 more an hour than those who had not.

In addition, employers have the opportunity to develop skills in their field and identify future talent. However, currently there is more demand than supply of co-op placements, and students in business and engineering are significantly more likely to participate in co-op programs than students in the arts, humanities and sciences.

#### 1410

Students have a number of recommendations to improve and equalize access to these opportunities and thus better labour market outcomes for students.

Our first recommendation is to invest in the creation of informational resources to help more employers understand the benefits of co-operative learning opportunities. The cost to create a Web portal to address known informational barriers to the creation of co-op placements is estimated at \$100,000.

Our second recommendation is to ensure that more students have access to co-op placements. The province should set a target to increase co-op placement opportunities by 10% in under-represented disciplines over the next five years.

We recommend two strategies to achieve the same. The first is to create new financial resources for employers seeking to create or expand co-operative learning offerings to students in under-represented disciplines. The estimated cost of full implementation is \$70 million. These resources would work in a similar fashion to the existing co-operative education tax credit, giving employers the lesser of \$3,000 or 25% of a student's wages in the form of an upfront grant. This would recognize many companies' cash flow constraints, which make them unable to wait for a tax credit to recover their wage costs. Recognizing the province's fiscal circumstances, the government could make employers who take advantage of the grant ineligible for the Ontario Co-operative Education Tax Credit, which could offset some of the cost of this grant.

The second strategy is to provide new financial resources for universities seeking to expand their co-operative learning offerings in under-represented disciplines. This

would provide universities with funds to develop and provide placements in more difficult fields. The estimated cost of full implementation would be \$8.7 million.

**Mr. Rylan Kinnon:** The final topic we would like to discuss with the committee is addressing students' desire for quality teaching and fair employment opportunities for faculty. Students have increasing concerns about the quality of education they are receiving at Ontario universities, given the increasing investment they are making in their post-secondary education. While students have seen their investment in their education through tuition and ancillary fees rise by 22% over the years 2002 to 2012, Ontario's universities, on a per-student basis, have fewer faculty, and these faculty members are also teaching less. While in the late 1980s the common teaching load in Ontario was three full course equivalents per year, the most recent estimates place the average faculty teaching load at 1.7 full course equivalents per year for arts and humanities faculty and 1.4 for science faculty. This has led to increasing class sizes as well as decreasing access to faculty members.

This decrease in teaching output has been partially offset by the hiring of sessional and part-time faculty. Students are concerned that this increase in sessional and part-time faculty compromises the quality of teaching that students receive and the fairness of opportunities available in our system for excellent teachers. This is because sessional and part-time faculty positions are impermanent; they often do not have access on campuses, often have little job security, and may not have access to benefits or teaching supports.

To address this concern, students believe the province should commit to expanding teaching-focused faculty positions in Ontario. These faculty members would have the same tenure and promotion opportunities as regular faculty but would take on an increasing teaching load. By our definition, a teaching-focused faculty member is one who teaches three full course equivalents per year. They would spend about 60% of their time teaching while maintaining about 20% of their time for research and 20% for community service.

Our hope is that by increasing the number of teaching-focused faculty in the province we can enable excellent teachers to teach more while shifting some incentives in the system back towards teaching.

To expand the number of teaching-focused faculty in the province, we recommend that the government provide funding to create 200 new teaching-focused faculty positions across Ontario, distributed proportionally based on undergraduate student enrolment numbers, with a minimum of five at each institution. The estimated cost is \$18 million annually.

**Mr. Adam Garcia:** We would like to thank the committee for the opportunity to present to you today. We hope that you will carefully consider our recommendations to leverage post-secondary education to create a more fair society and stronger economy.

In conclusion, students believe we must ensure that our financial assistance investments promote fairer access

to post-secondary education in Ontario so that all Ontarians can access the benefits of a post-secondary credential, and our society as a whole the attending benefits. To increase the effectiveness of post-secondary education as a tool of social equalization, the province should commit to expanding co-operative education opportunities for students in the province to help ease recent graduates' transitions into the labour market.

Finally, to ensure that students are getting a fair return on their investment and that excellent teachers have fair employment opportunities, we believe the government should make an investment to expand teaching-focused faculty positions.

Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Very good. Thank you both. Questions? Michael? About two minutes.

**Mr. Michael Prue:** About two minutes. I'm going to spend one minute just to ask the committee—I had questions, but I'm not going to ask them. I looked at the end notes, and I would like everyone to look at 20, 21, 22, 24 and 25. The expert quoted is none other than Peggy Sattler, so I leave the questions to her.

**Ms. Peggy Sattler:** Thanks. Yes, it's great that this research work is being used.

**Mr. Rylan Kinnon:** Well, thank you for your research.

**Ms. Peggy Sattler:** I'm really glad to hear that you've used the reports to come up with these recommendations.

One question I had about those reports: Those reports looked at a range of work-integrated learning programs. Your recommendation focuses specifically on co-operative education. Did OUSA have a discussion about

extending some of the wage supports for students and for employers to other types of work-integrated learning? Why did you focus specifically and only on co-op?

**Mr. Rylan Kinnon:** I think the main reason for focusing specifically and only on co-op was just some of the confusion that sometimes arises when you're talking generally about work-integrated learning, because it encompasses so many different things.

This conversation, for us, has also very much been in the context of talking about what we think is reasonable for an unpaid internship or unreasonable for an unpaid internship. Where our student leaders drew the line is that if a student is in a full-time position, 40 hours a week, for an entire work term of four months, then that's a place where we think they should be paid, because they're doing real work for an extended period of time.

Based on that, we kind of have just landed on the gold standard of co-op education as being what we'd like to see Ontario students having more access to: paid co-op experiences, a full work term in length, working 40 hours per week.

**Ms. Peggy Sattler:** Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much. Thank you both for coming today.

**Mr. Rylan Kinnon:** Thank you for having us.

**The Chair (Mr. Kevin Daniel Flynn):** Our pleasure. Good presentation.

Okay, the committee is going to adjourn now to Thunder Bay. The cabs will be leaving at 2:30 for the airport, if we can all meet in the lobby before then.

We're adjourned.

*The committee adjourned at 1417.*





## **STANDING COMMITTEE ON FINANCE AND ECONOMIC AFFAIRS**

### **Chair / Président**

Mr. Kevin Daniel Flynn (Oakville L)

### **Vice-Chair / Vice-Présidente**

Ms. Soo Wong (Scarborough–Agincourt L)

Mr. Steven Del Duca (Vaughan L)

Mr. Victor Fedeli (Nipissing PC)

Ms. Catherine Fife (Kitchener–Waterloo ND)

Mr. Kevin Daniel Flynn (Oakville L)

Mr. Douglas C. Holyday (Etobicoke–Lakeshore PC)

Ms. Mitzie Hunter (Scarborough–Guildwood L)

Mr. Monte McNaughton (Lambton–Kent–Middlesex PC)

Mr. Michael Prue (Beaches–East York ND)

Ms. Soo Wong (Scarborough–Agincourt L)

### **Substitutions / Membres remplaçants**

Mr. Toby Barrett (Haldimand–Norfolk PC)

Mr. Lorenzo Berardinetti (Scarborough Southwest / Scarborough-Sud-Ouest L)

Mrs. Donna H. Cansfield (Etobicoke Centre / Etobicoke-Centre L)

Mr. Bob Delaney (Mississauga–Streetsville L)

Ms. Peggy Sattler (London West ND)

### **Also taking part / Autres participants et participantes**

Mr. Robert Bailey (Sarnia–Lambton PC)

### **Clerk / Greffier**

Mr. Katch Koch

### **Staff / Personnel**

Ms. Susan Viets, research officer,  
Research Services

## CONTENTS

Monday 20 January 2014

Pre-budget consultations .....	.F-669
Municipality of Brooke-Alvinston .....	.F-669
Mr. Don McGugan .....	
London Health Coalition .....	.F-671
Mr. Peter Bergmanis .....	
Township of Enniskillen .....	.F-674
Mr. Kevin Marriott .....	
Mr. John Innes .....	
London Economic Development Corp.....	.F-676
Mr. Larry MacKinnon .....	
Ontario Greenhouse Vegetable Growers.....	.F-678
Mr. Don Taylor .....	
Sarnia Lambton Chamber of Commerce .....	.F-681
Mr. John Elliott .....	
Mr. Pete Aarssen .....	
Ontario Nurses' Association .....	.F-683
Ms. Karen Bertrand .....	
Ms. Cheryl Card; Mr. Daryl Card .....	.F-685
Community Legal Assistance Sarnia .....	.F-688
Ms. Karen Mathewson .....	
Mr. Andrew Bolter .....	
Mr. Jeff Wesley .....	.F-690
Alliance iCommunications.....	.F-692
Mr. David LeClair .....	
Canadian Natural Gas Vehicle Alliance.....	.F-695
Ms. Alicia Milner .....	
Ontario Petroleum Institute .....	.F-697
Mr. Hugh Moran .....	
Mr. Ian Veen .....	
Alliance of Ontario Food Processors .....	.F-700
Mr. Steve Peters .....	
Bioindustrial Innovation Canada; Ontario Federation of Agriculture .....	.F-702
Dr. Murray McLaughlin .....	
Community Living Tillsonburg .....	.F-705
Dr. Urbain Demaiter .....	
Mr. Michael Kadey .....	
Mr. Marty Graf .....	
Ontario Undergraduate Student Alliance .....	.F-707
Mr. Rylan Kinnon .....	
Mr. Adam Garcia .....	

AZON  
KC25  
F31

F-24



F-24

ISSN 1180-4386

## Legislative Assembly of Ontario

Second Session, 40<sup>th</sup> Parliament

# Official Report of Debates (Hansard)

Tuesday 21 January 2014

Standing Committee on  
Finance and Economic Affairs

Pre-budget consultations

## Assemblée législative de l'Ontario

Deuxième session, 40<sup>e</sup> législature

# Journal des débats (Hansard)

Mardi 21 janvier 2014

Comité permanent des finances  
et des affaires économiques

Consultations prébudgétaires



Chair: Kevin Daniel Flynn  
Clerk: Katch Koch

Président : Kevin Daniel Flynn  
Greffier : Katch Koch

### **Hansard on the Internet**

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. The address is:

<http://www.ontla.on.ca/>

### **Index inquiries**

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.

### **Le Journal des débats sur Internet**

L'adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance est :

### **Renseignements sur l'index**

Adressez vos questions portant sur des numéros précédents du Journal des débats au personnel de l'index, qui vous fourniront des références aux pages dans l'index cumulatif, en composant le 416-325-7410 ou le 325-3708.



## LEGISLATIVE ASSEMBLY OF ONTARIO

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON  
FINANCE AND ECONOMIC AFFAIRS

Tuesday 21 January 2014

COMITÉ PERMANENT DES FINANCES  
ET DES AFFAIRES ÉCONOMIQUES

Mardi 21 janvier 2014

*The committee met at 0900 at the Valhalla Inn, Thunder Bay.*

## PRE-BUDGET CONSULTATIONS

**The Chair (Mr. Kevin Daniel Flynn):** I'm going to ask the members to take their seats. It's 9 o'clock.

## ONTARIO NURSES' ASSOCIATION

**The Chair (Mr. Kevin Daniel Flynn):** Our first delegation this morning is from the Ontario Nurses' Association, Colleen Morrow. If you'd like to come forward, Colleen. Take a seat at the end there and make yourself comfortable.

**Ms. Colleen Morrow:** Just right here?

**The Chair (Mr. Kevin Daniel Flynn):** Anywhere you're comfortable. Every delegation gets 15 minutes. Use that any way you see fit. If there is any time left over from your presentation for questions, the questioning will go to the Conservative Party. It's all yours.

**Ms. Colleen Morrow:** Can everyone hear me? Do I push the button?

**Mr. Michael Prue:** No, you're on.

**Ms. Colleen Morrow:** Oh, I'm on. Perfect. Thank you so much. Good morning. My name is Colleen Morrow and I'm an extended class registered nurse and also an executive member for the Ontario Nurses' Association, Local 73.

I just wanted to tell you a little bit about my nursing experience. I've worked for 23 years as an acute care nurse at Thunder Bay Regional Health Sciences Centre, and the areas that I've worked in include medical, surgical, pediatrics, outpatient clinics, emergency, critical care and the post-anesthetic care unit. I've also worked with outpatients in the internal medicine clinic, as a nurse practitioner, and here I managed patients that either were not admitted through follow-up in the clinic or they were discharged early to be monitored in the clinic. Further nursing experience that I have includes managing veterans in the home and also working in remote nursing communities providing care for our First Nations individuals.

Ontario Nurses' Association is Canada's largest nursing union, and we actually represent over 60,000 registered nurses, nurse practitioners and allied health professionals, as well as more than 14,000 nursing student affiliates. They provide care each in hospitals, long-term care, public health, community clinics and industry.

Today I'm here to speak on behalf of the registered nurses who have grave concerns about the extent of understaffing that exists in Ontario hospitals and the resulting impact on the quality of care for our patients.

As advocates for our patients, registered nurses must speak up to bring information on the impact of underfunding hospitals to light. The public has the right to know what's going on with respect to nursing cuts in hospitals. In our northern region, registered nurses have identified that we have significant challenges to the delivery of safe and quality patient care.

But first the facts on how short-staffed we are in Ontario: First off, Ontario has seven RNs per 1,000 population—I'm really disappointed to say that—compared to other areas of Canada. There's normally 8.3 RNs per 1,000 population for the rest of Canada. The ratio of RNs to 1,000 Ontarians unfortunately is second-lowest again in Canada. So this gap in RN care for Ontario means that more than 17,500 registered nurses are needed just to catch up with the rest of the country.

This morning I want to focus my remarks on why we need more registered nurses in our hospitals to meet the increased needs of our complex and unstable patients. Let me tell you, they are unstable patients. In my 23 years' experience, the patients that are in acute care hospitals, there's no doubt they're unstable.

You may have heard of a notice that we've received eliminating 5.6 full-time equivalents just recently in our regional hospital. That's nothing new. In fact, I have statistics. We have lost 50 RNs since 2009. That's significant to us. You may have also heard that we talk directly to our neighbours and friends, and they see the lack of enough registered nurses every time they seek care in our emergency departments or have surgeries cancelled, and with recovery after surgery as well.

The state of RN staffing in our hospitals is a topic of conversation we hear more and more frequently in our communities. There are a number of studies that clearly indicate the strong relationship between higher RN staffing levels in our hospital and improved care outcome for patients. On the other hand, studies also show that decreasing RN staffing definitely has a negative impact on patient health outcomes. Higher levels of RN staffing in hospitals are essential to care for patients with complex and unpredictable conditions. Adding one more patient to a nurse's average caseload in an acute care hospital setting—that's where I've worked for 23 years—is

definitely associated with a 7% increase in complications and a 7% increase in patient mortality. So higher RN staffing is associated with a range of better outcomes. These better outcomes are: reduced hospital-acquired pneumonias, nosocomial bloodstream infections and other complications. It reduces length of stay.

Yet when we look at 2012 and 2013, more than 1.5 million hours of RN care were cut from our Ontario health care system, completely ignoring the evidence linking RN care to improved health outcomes to patients.

I can tell you that studies have shown that adding RN staffing achieves significant cost savings, as well as reducing adverse outcomes and length of hospital stays and avoiding patient deaths. Additional RN staffing mitigates complications through early intervention and leads to more rapid patient recovery, and it saves lives along the way.

Ontarians want the government to make health care funding a high priority. Ontarians also want government to protect this hospital funding envelope from cuts. Some 90% of Ontarians agree that reducing the number of nurses would really hurt the quality of care they receive. As a result, ONA, the Ontario Nurses' Association, is calling on the government to fund a multi-year plan of action to hire and maintain RN positions in hospitals to make significant progress in reducing the gap of more than 17,500 RNs between the nurse-to-population ratio in Ontario and the rest of Canada. Patients are being put at risk.

Registered nurses at the Sault Area Hospital, for example, had to speak out previously about the inability to care for emergency patients to the standard required of them by their regulatory college—that's the College of Nurses—because of the shortage of staff. An independent assessment committee was set up to investigate and made a number of recommendations to improve care. This included adding a 12-hour RN shift per day and a nurse educator dedicated to the emergency room.

We recognize that hospitals are trying to operate under serious fiscal restraints, but registered nurses have to speak out for the best, safest care possible for our patients.

Let me leave you with two more examples of the impact of RN staffing on patient care from research literature.

The findings from a study using the nursing outcomes database showed it takes not only the right number of nursing staff on every shift to ensure safe patient care, but also the right mix of expertise and experience. For example, in hospital medical-surgical units, a 10% decrease in RN skill mix resulted in an 11% increased probability of falls with injury and a 13% probability of increased medication errors. In hospital critical care units, a 10% decrease in RN skill mix resulted in a 36% increased probability of falls with injury and a 17% probability of medication errors.

It's time for our Ontario government to step up for hospital patients. Actually, you know what? The time was a few years ago. We need immediate changes to the funding model for hospitals that essentially will properly

staff to meet the care needs of acute patients. Let me remind you that patients in hospital are acute. On behalf of our patients, the Ontario Nurses' Association has recommended to government to invest in our hospitals and in RN care to meet the care needs of Ontarians. Our patients can't afford to be short of RN care any longer. Our patients deserve no less care than the rest of the country. Thank you.

**0910**

**The Chair (Mr. Kevin Daniel Flynn):** That's great, Colleen. Thank you very much for your presentation. You've left about six minutes for questions. Who's going first? Toby?

**Mr. Toby Barrett:** Thank you, Chair. My colleague has some questions as well. Thanks for the presentation with respect to additional RN staffing. You indicate that 17,000 registered nurses are needed. We hear so often about 300,000 manufacturing jobs; I couldn't tell you how many forestry jobs have been lost up in this part of the world. At the same time, we're told there's been an increase—an additional 300,000 government jobs created. How many nursing positions have been created? Has your union membership been going up or down?

**Ms. Colleen Morrow:** Our union membership is actually going down.

**Mr. Toby Barrett:** It's going down? Okay.

**Ms. Colleen Morrow:** I think we've lost, actually, approximately 15,000 members. Now, I can't give you a time period, but again I've been around in this health care field as a registered nurse, extended class, for 23 years.

**Mr. Toby Barrett:** So you're 60,000 now, and you used to be 75,000 members?

**Ms. Colleen Morrow:** Yes, and I think we went down for a brief period, too. I think our curve has increased somewhat, but there's no question that our registered nurses' numbers are down.

**Mr. Toby Barrett:** And just quickly: This is, as a union, your main bargaining position with management?

**Ms. Colleen Morrow:** Well, I may be here as a union, as an Ontario Nurses' Association representative—let me remind you that this is about patient care, this is about quality patient care; this is not about increasing membership for the Ontario Nurses' Association. It has everything to do with the acuity of patients and the lack of care. Need I remind you again that we are the second-lowest registered nurses per population in Canada? I'm really disappointed to have that number presented.

**Mr. Toby Barrett:** Okay.

**The Chair (Mr. Kevin Daniel Flynn):** Vic?

**Mr. Victor Fedeli:** I don't have to press this thing?

Colleen, thank you very much for being here today. I'm just asking you, which community are you representing?

**Ms. Colleen Morrow:** I'm representing northwestern Ontario.

**Mr. Victor Fedeli:** I'm from North Bay, by the way; I represent Nipissing. I know we lost 40 RNs. I heard in your presentation that you lost 50 RNs. What time period?

**Ms. Colleen Morrow:** That's the number I have from 2009 till now.

**Mr. Victor Fedeli:** From 2009 till now? Okay.

**Ms. Colleen Morrow:** Our most recent was 5.6 in our emergency department.

**Mr. Victor Fedeli:** What do you feel are the most critical issues, other than employment levels, right now? What are the other critical issues that you're seeing with the patients? Are there any trends happening out there that we need to be aware of?

**Ms. Colleen Morrow:** Well, what I find through the trends is that, over the past 23 years—just as an example, when you had a hysterectomy 15 years ago, you were admitted and in hospital for a week. These individuals are now in for a day, and they're sent home. Some of them are actually as outpatients. So our acuity has vastly increased through the years, and I've seen that evolve. With that, our patient ratios have gone up as well. Studies indicate that, if you add one more patient to the nurse ratio, there are adverse outcomes that occur as a result of that, right? Medication errors, increased fall risks and various other things.

**Mr. Victor Fedeli:** We've seen some changes in health care in the last few years, and I'm just genuinely curious for your opinion. We've seen the pharmacies that are able to now give your flu injection. We see nurse practitioner offices. What are your thoughts about those kinds of changes? I understand they're to keep people out of emergency rooms and to keep people out of the doctors' offices and to spread that. What would your thoughts be on that?

**Ms. Colleen Morrow:** Well, you're looking at basically multidisciplinary care, and I appreciate that there's definitely value with that—the increase of extended class nurses out providing primary care etc. It's helping with a lot of gaps in services. But the bottom line is, in the hospital sector, there are not enough registered nurses. The acuity is high, the complexity of the patient is high, and we need to look at the multi-system, multidisciplinary plan of care in order to provide best care.

Having said that, the registered nurses—there's fewer of those. The hallways are packed with patients. We have waiting areas with individuals—there's never an empty bed. We have sunrooms that have now changed into rooms to try to meet the needs. Our patients are elderly now, and they're more complex than they were as well.

I appreciate the fact that our health care system is costing more now, simply because individuals are aging, and the complexity of care is changing over time as well.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much for coming today, Colleen. It really was appreciated.

**Ms. Colleen Morrow:** I think we might have one more question.

**The Chair (Mr. Kevin Daniel Flynn):** No, we don't have one more question. Your time is up, but thanks for coming anyway.

**Ms. Colleen Morrow:** Okay. Super. Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** We appreciate it.

**Mr. Bill Mauro:** Mr. Chair, while we're waiting for the next presenter: So it's been decided by the committee that it's one party only, and you rotate?

**The Chair (Mr. Kevin Daniel Flynn):** We're doing a rotation, yes.

**Mr. Bill Mauro:** That's the norm, eh? That's unfortunate, but thank you. I would have loved to have had an opportunity to ask a few questions.

**The Chair (Mr. Kevin Daniel Flynn):** No problem.

**Ms. Colleen Morrow:** Would you like a copy of the speaker's notes?

**The Chair (Mr. Kevin Daniel Flynn):** If you would, that would be great.

#### THUNDER BAY AND DISTRICT INJURED WORKERS SUPPORT GROUP

**The Chair (Mr. Kevin Daniel Flynn):** Next up is the Thunder Bay and District Injured Workers Support Group. Steve Mantis, if you could make yourself comfortable and perhaps introduce your colleague.

**Mr. Steve Mantis:** Do you have staff who hand out papers?

**The Chair (Mr. Kevin Daniel Flynn):** Yes, we do. They'll collect them from you.

**Mr. Steve Mantis:** I wasn't sure whether all the cutbacks meant that that was gone, and the coffee is gone. I just wasn't sure how this all works anymore.

*Interjection.*

**The Chair (Mr. Kevin Daniel Flynn):** I'm sure we have coffee.

**Mr. Joe Dickson:** The coffee's over there.

**Mr. Steve Mantis:** Oh, so everyone's welcome to that?

**The Chair (Mr. Kevin Daniel Flynn):** Everyone's welcome to that, yes.

**Mr. Steve Mantis:** Well, terrific.

**Mr. Michael Prue:** There's even Persians.

**Mr. Steve Mantis:** Oh, my gosh.

**Mr. Joe Dickson:** Would you like a coffee, sir?

**Mr. Steve Mantis:** I think it would be lovely.

**Mr. Joe Dickson:** How would you like it?

**Mr. Steve Mantis:** With milk or cream.

**The Chair (Mr. Kevin Daniel Flynn):** Okay. Thank you very much for coming today. Like everybody else, you get 15 minutes to make your presentation. Use that time in any way you see fit. If there's any time left over from your presentation, the questioning will come from the NDP. If you would introduce yourselves before each of you speaks, so that Hansard knows which one of you is on tape, that would be great.

**Mr. Steve Mantis:** Thank you very much. My name is Steve Mantis, and I'm the treasurer of the Thunder Bay and District Injured Workers Support Group. On my right is Eugene Lefrancois, who is a trustee and member of the organization, and he's also the treasurer of our provincial body, the Ontario Network of Injured Workers Groups.

We're here as injured workers, but our experience is set into a bigger context. Our concern is that we have a growing gap in terms of income, leading to greater income inequality in our society. Our presentation will talk a little bit more about how that plays out for workers who are injured and disabled on the job.

*Interjection.*

**Mr. Steve Mantis:** Thank you so much. That is totally wonderful.

**Mr. Joe Dickson:** My pleasure, sir.

**Mr. Steve Mantis:** We know from the research that greater income inequality leads to negative health outcomes for the citizens in the country where that exists. We know that Canada is moving to greater and greater income inequality, and a lot of the responsibility, I think, lies here.

Successive governments have gotten elected by saying, "We'll cut taxes." There's this idea that taxes are bad: "Oh, that government is a tax-and-spend government." Well, what the heck does government do other than tax and spend? Wrap your head around this a little bit. We spend so that we can provide services to our citizens to improve the health of them and our communities.

But what we've been moving towards is how we get bigger profits, and how we support our business community. Those choices are made, really, at the sacrifice of the health of our overall population.

I think that the role of the government, in part, is to set clear goals. What do we want? I mean, it seems to me that the health of our citizens and our community should be right at the very top. But what is the message we get? "It's austerity. We can't afford this." We've cut taxes so much there's not enough money left to do the things that we need to do, so we have to cut. Now it's like, "Where are the priorities?"—because a lot of them are going to have to fall off the table, and it's a result of reducing the taxes on all of us, certainly on corporations and on the citizens.

**0920**

Our group was founded 30 years ago. Actually, it's 30 years ago this month. We formed with two main goals. One is to provide information and support to other people who are injured on the job, because there was really a lack of that—both of information on how the system worked and of support for people when they get hurt and injured. The second was to try to make the system work better for all workers, which includes law reform. We have been studying the system actively for the last 30 years and looking at what happened before we formed our organization.

Also, in Thunder Bay, we have strong roots from the Scandinavian countries. We have a very large Finnish population and Norwegian—my wife is Norwegian. So it's not uncommon for us to hear about what happens in those countries and compare it to what happens here. Of course, it's well known that they have higher rates of taxation but they have strong economies now. They also have better health outcomes for their citizens. We kind of

go, "Isn't there something that we can kind of pick up on from what happens from some of the countries that sent folks here to cut the forest and mine the minerals in our area?"

Back when we first got going in the early 1980s, the motto of the workers' compensation board was "justice, humanely and speedily rendered." Think about that: justice, humanely and speedily rendered. Now, what's the motto of the WSIB? No one really knows. What we know is that financial accountability is number one. In the last re-write of the law in 1997, that became the main goal of the organization: financial accountability. Their motto is, "We want to be the best." The best at what? So we think that you need to set clear goals. We think that the goals need to be: to help people recover after injury and ensure that they don't fall into poverty as a result.

So what has happened? Well, we saw economic pressure coming in the 1980s from the big business lobby. "It's too expensive. You've got to cut costs. You've got to reduce." So the 1990 legislation was changed and they brought in "deeming." They said, "Well, we're going to change the system from a permanent pension that says, 'You have a disability for life?' We're going to give you some financial support for life.'" They said, "No, no, forget that. We're going to determine how much you lost in wages and then that's what we're going to provide up until the age of 65"—that's called deeming—"We're going to figure it out."

How well have they done? Well, what we find is that 50% of the people who are permanently injured end up suffering greatly at the hands of the system—these people are basically ruined by the system that has been put in place to help them. What do we see in terms of the big business lobby? They got their way. Rates were reduced by 30%. Rates that they paid to workers' compensation overall reduced 30%. Along with that, in the mid-1990s we brought in early and safe return to work. This is the new policy. This is how we're going to balance the budget, right? We're going to get people back to work faster and everything will be better. What do we see now? We see that when people like Eugene and I, with a permanent impairment, go back to work, 45% of us are re-injured on the job—45%. Early and safe return to work? Where is the safe part? Is this how the system is supposed to make us better, by sending us back into a place where we got hurt and can get hurt again?

I'm not sure that's actually—and so what happened to injured workers? Well, we've been teaming up with researchers for the last 15 years from six different universities in Ontario. Numerous studies are being done: 50% of these workers end up depressed, oftentimes losing their families, losing their homes, losing their self-respect, losing their role as a productive member of society. Is that what we want? So big business makes more money and then we have thousands and thousands of people ending up basically living on the streets? A study in downtown Toronto on homelessness found 57% of the people that are homeless were hurt at work. Is this how

we support our people who are hurt and vulnerable from just going to work?

And so, experience rating is brought in: We'll provide an incentive to employers to help balance the budget. We'll tell them, "Look, if you get those people back to work, if you reduce claims, you're actually going to get money back. Not only is that 30% cut enough, but you can get more back." So what do we do? We push people back to work faster. We get that re-injury rate. But we also discourage workers from claiming injuries: claim suppression. So the rates of injuries are going down like crazy. What do we have now? Between 2009 and 2012, we have seen fatalities at work—traumatic fatalities—increase by 30%. So you gut the system; you say, "We're really not going to pay benefits." No reason to report injuries because you're just going to get in trouble with your employer. So we don't then investigate the accidents when they happen. We don't reduce the risks, and more people actually get killed at work. It's because, I think, of this idea that if we reduce the taxes—it's not a tax; it's an insurance premium, it's an assessment rate for employers—we're all going to be better. Well, you tell that to the families of those workers who have been killed, those 30% more in three years who have died on the job. You tell them how much better the system has been made.

We really look to the government to set the goals. The goals need to be clear. We need to have a vision, and the vision is we want people to be protected at work. We want them to be healthy. We want them to be able to recover and to be able to maintain a productive part of society. That's what we're looking to you for, not only for injured workers, but for all of society. As people come through, throughout the rest of the morning, think about that. How can we say, "What do we really want?" rather than "How can we save money?" How can we support our people in our communities? Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much. You've left a few minutes for questions, and those are coming from the NDP this time, about two and a half minutes. Either Michael or Sarah.

**Mr. Michael Prue:** Yes, I have a couple of questions. Thank you for your impassioned comments, because I think oftentimes when we come to budget meetings, we don't hear personal tales; we hear institutional tales. I think it hit home.

I was particularly interested, shifting through your document—rather lengthy. A couple of things on the second page of the executive summary—the fact that workplace injuries in Ontario have actually gone up year after year for the last five years. It would seem to me that we are failing as a province in protecting workers from being injured in the first place. Would you comment on that?

**Mr. Steve Mantis:** Really, it follows with my closing statements. If you discourage people to report injuries, the long-term effect is that there are going to be more serious injuries and more fatalities, and that's what we're seeing now. The WSIB is saying, "Oh, my God, we have

more serious injuries. It must be the system that's out of whack, so we're going to deny those people benefits," rather than realizing that we have a problem in the workplace because of the suppression, because of the saying, "Don't report; save money. It costs too much." That is what is then having management ignore the risks that are there, and then people are getting seriously injured and killed on the job.

**0930**

**Mr. Michael Prue:** You said I had three minutes?

**The Chair (Mr. Kevin Daniel Flynn):** You had two minutes. Now you've got about half a minute.

**Mr. Michael Prue:** You said somewhere in here that former Minister Peters—recommendation four—had proposed in the provincial budget of 2007 that wage loss benefits be based on actual wages lost and not the deeming. Has anything happened with that? Have you been informed? I've not heard a single word since then.

**Mr. Steve Mantis:** It has really only gotten worse. The financial austerity has trumped all other things. They hired an international banker to run the system, and he doesn't get his bonus unless he cuts costs, and he is actively doing that, and the deemings is rampant.

Eugene, you can—

**The Chair (Mr. Kevin Daniel Flynn):** Actually, your time is up, unfortunately, Eugene.

**Mr. Eugene Lefrancois:** Can I just get one little statement?

**The Chair (Mr. Kevin Daniel Flynn):** Sure.

**Mr. Eugene Lefrancois:** Okay. You all had a chance to be in government, every one of you—the NDP, the Conservatives and you—and to royally screw over the injured workers. But the biggest thing is, why do you keep handing money back to the employers? The only thing I can think of—maybe I'm wrong—is to buy votes.

**The Chair (Mr. Kevin Daniel Flynn):** Okay. Thank you very much for coming, Eugene. Thank you, Steve. We appreciate it.

**Mr. Steve Mantis:** Thank you for providing the time and the coffee.

#### THUNDER BAY AND DISTRICT LABOUR COUNCIL

**The Chair (Mr. Kevin Daniel Flynn):** Our next presentation this morning is from the Thunder Bay and District Labour Council. Carlos, are you with us? Please make yourself comfortable and perhaps introduce your colleague. Like everybody else, this morning, there's 15 minutes for the delegation. Use that time any way you see fit. If there's any time at the end of the presentation for questions, it will go to the government. The floor is yours.

**Mr. Carlos Santander-Maturana:** Good morning, ladies and gentlemen. My name is Carlos Santander, and my partner here is Margaret Arnone, the secretary of the labour council. I am the current interim president. I am here to make a presentation on behalf of the Thunder Bay and District Labour Council and the thousands of work-

ers we represent in the area. I am quite pleased with the opportunity given by the tripartite Standing Committee on Finance to provide you with the point of view of labour regarding what priorities should be in the 2014 Ontario budget.

The Thunder Bay and District Labour Council is a democratic organization chartered by the Canadian Labour Congress, composed of unions in the private and public sector. The Thunder Bay and District Labour Council is generally perceived as the voice and the legitimate advocate for the interests of workers and the destitute in the Thunder Bay area.

Thunder Bay is a lively, vibrant community, and a geopolitical and economical hub for the vast lands of northwestern Ontario that must be taken into consideration regarding priorities for the upcoming provincial budget. Government decisions have a strong impact on workers and their families, and we do believe that the first obligation of any level of government is to take care of the needs of their own citizens in the first place.

It is quite clear to us that the recent Liberal government love affair with austerity measures as a means to put the economy back on track has been a major failure and a source of suffering for thousands of families across the province. We strongly disagree with this approach.

In the opinion of the Thunder Bay and District Labour Council, the only way to move forward and to bring the economy back to the pre-2008 levels is to proceed with a budget designed to put the interests of the people first. Any attempt to continue on the path of austerity pursued by the previous Liberal government could only mean a very difficult road plagued with suffering to the working people, seniors and the destitute who live and raise families in this corner of the province. Furthermore, experience has shown us that austerity measures have actually damaged our ability to get out of the recession. The deficit in Ontario was created in part by the reduced tax revenues due to the economic crisis and partly due to the policies of tax breaks for corporations—policies, in our opinion, erroneously designed with the hope that the extra money would be reinvested somehow in Ontario.

Those policies were implemented first during the Conservative government of Mike Harris and really were never totally eradicated by former Liberal Premier Dalton McGuinty. Putting the emphasis on controlling the fiscal deficit as a means of promoting economic growth is a major fallacy. Everyone understands that tightening the belt on public expenditure inevitably will result in an inability to invigorate the economy due to the dollars removed from local economies. Wages, benefits and pension restraint measures, as proposed by the Ontario Chamber of Commerce, will result in a very serious impact for small and medium-size businesses that will see a significant segment of their economic base without the means to purchase that coveted new refrigerator or car, or unable to do the house renovations that are so badly needed.

Governments and business organizations also must bear in mind the price tag attached to the social unrest

created by the implementation of those draconian policies, as we can see in the experience of certain European countries such as Spain, Greece, Portugal, and lately Cyprus.

Other jurisdictions that since the outset of the 2008 recession have shown leadership and did make the proper political decision to directly or indirectly stimulate their economies through public expenditure have been able to show economic growth at larger rates than those falling into the austerity trap.

We propose that the Ontario government put people back to work through serious job creation programs, either through direct stimulus or through appropriate incentives, to ensure that the private sector reinvests the millions of dollars in dead money that they are hoarding and that, incidentally, is causing the economy great damage.

According to the former governor of the Bank of Canada, Mark Carney, if companies cannot think of what to do with their cash, they should “give it back to shareholders and they’ll figure out what to do with it.” We are not big fans of Mr. Carney, but in this case he is undeniably right.

We also propose to re-examine the taxation system. Part of the crisis in the government coffers is undoubtedly due to the significant corporate and personal tax cuts that Ontario has been engaged in since the late 1990s. The corporate tax rate in our province is one of the lowest among industrial North American jurisdictions.

In our opinion, there is a direct correlation between the fiscal deficit, systemic economic crisis and quality of life. While for the majority a recession means hardship, for others it means opportunities. The vast majority of the people in Ontario have been at the receiving end of the disastrous impact of the recession, while the top 1% is steadily increasing their already inflated incomes. In fact, the latest data from Statistics Canada shows that in the province of Ontario, the gap between the haves and have-nots is becoming more and more substantial.

Our proposal for your consideration is rather simple: Invest to reduce the social deficit. Invest in public transportation. Ensure that made-in-Canada and, more specifically, made-in-Ontario provisions are an integral part of any public expenditure. Ensure that the provincial infrastructure is properly addressed. Emphasis should be given to the development of permanent roads reaching northern aboriginal communities to incorporate them into the economic life of the province. Invest heavily in health and education. Pay attention to the plight of the elderly. Invest in supportive services. Reduce the deficit of endemic lack of beds in long-term care. Increase the financial support for initiatives directed to provide supportive housing for the elderly. Implement the Ontario social assistance review recommendations and make good the commitment to reduce child poverty by 25% by the end of 2013.

0940

The Ontario government is in a unique position to make a difference in the lives of the people who have

suffered so much since the disastrous year 2008. The only component that they need is the political courage to make decisions that will benefit the majority, not the usual small elite who seem to be increasingly getting a bigger and bigger share of the pie.

Thank you very much for your consideration.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Carlos. You've left quite a lot of time for questions. Who's going to kick it off? There's just over five minutes. Bill?

**Mr. Bill Mauro:** Carlos and Marg, thanks for the presentation this morning. Listening to it and reading through it quickly, I think we both seem to have a bit of a different perspective on what's been going on. I listened to you use the word "austerity" a number of times in your presentation, Carlos. I know that when I listen to Premier Wynne speak, or when I listen to Finance Minister Sousa speak, they are actually saying the very opposite thing. They are saying, in fact, that we understand that, given the time and the difficult economic circumstances that many countries still find themselves in, including sub-national jurisdictions like Ontario, austerity measures would in fact be the wrong thing to do. They say very clearly, I think, without equivocation, that we're not doing that and that we haven't done that, so we seem to be seeing a bit of a difference in what we've been doing and what we plan on doing going forward.

I guess I'm just wondering: How is it that you're feeling that that's in fact what's been going on?

**Mr. Carlos Santander-Maturana:** Well, I am very happy to hear that there seems to be a disconnect between my presentation and the current proposal of the Liberal government, but the previous Liberal government was responsible for a number of initiatives and austerity measures that, in our opinion, were hurting the Ontario economy.

I am glad that Premier Wynne and Charles Sousa are putting forward a different platform in order to address economic issues in Ontario. Our umbrella organizations, such as the Ontario Federation of Labour and major unions in Ontario, are making more detailed presentations regarding our political and economic platform, and what we want in this Ontario government in 2014.

**Mr. Bill Mauro:** Going back, even historically, when you think of the investments in health care, education, the economy and infrastructure, I'm not so sure that we're still on the same page. I'm not intending to have this public disagreement, but I do think it's important to talk about some of what has gone on. As an example, we've seen health care spending increase by almost—the budget's almost been doubled since 2003 in the education sector, and I'm only focusing on the bigger pieces of the provincial budget. We've seen a hiring of about 25,000 people in the sector. You heard earlier when one of the Conservatives asked a question about how many more public employees are now working and being paid for through government; that's nurses, teachers and support staff in the school systems. The investments in infrastructure have been incredibly massive, and that's

one of the reasons why I think we've seen Ontario recover about 164% of the jobs that were lost through the recession.

So I'm still just trying to focus a little bit on the historical context, because there seems to be some acknowledgement that, moving forward, you're satisfied with where you see this going. I'm just wondering how it is still that we have a bit of a perception that, historically, we weren't making those investments that you clearly value.

**Mr. Carlos Santander-Maturana:** I think that, historically, we should be investing more in the areas that we pinpoint as crucial for the well-being of the citizens of Ontario. I understand that, to a large extent, the Ontario economy has a strong tie with the policies implemented by the federal government, and there are certain issues where we have no control, but the political will of the Ontario government regarding the budget should go forward to ensure that there is going to be growth and there is going to be reduced unemployment to the level of 2008. Right now, we are sitting at a 6.2% or 6.3% unemployment rate. Most of the jobs that were created lately were not in the manufacturing sector and were not good union jobs; they were in the part-time sector. I have some doubt that that is the best way to go.

Of course, we are not living in a socialist economy. The Ontario government doesn't have all the mechanisms in place in order to ensure that the economy is working, and, to a certain extent, the policies of the federal Conservative government are strongly affecting what we are able to do in Ontario.

**Mr. Bill Mauro:** Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you. Any further questions? Joe, there's about a minute left.

**Mr. Joe Dickson:** Thank you, Mr. Chair.

Great presentation. Thank you very much, Carlos.

A couple of quick things that you've touched on. One was, you referenced the McGuinty government for not ending absolutely everything that the Harris-Hudak government had implemented. The other scenario—and these people around the table are all my friends and they're all good, hard-working people—is that when the NDP government came to power, the first piece of legislation they did was to borrow \$10 billion to buy their way out of the recession, while anyone who is associated with business and job creation knows that's the opposite to what should be done. What you have to do is make business more efficient, more productive, generate a profit, pay taxes, but particularly, hire people. That's the main thrust.

I can tell you, from being in the printing industry, we've decreased our employment staff about 70% because of off-shore competition. Where I pay a person \$30 an hour on a big 40-inch press, the competition out of China and India and Brazil and a number of these places is \$1 an hour. So you'll land goods here, shipped air freight to your door, for 60% less on certain jobs—not all jobs, obviously.

So there's a happy medium, and I sympathize with you. As someone who was a GM employee for a while, I understand, and it's very difficult. I think you've done a great presentation here this morning, but it's tough. This is a five-year process we're going through, this five-year global recession, and it's worldwide. We're impacted because of manufacturing—

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Joe. I'm going to have to cut you off there. Thank you, Carlos—

**Mr. Carlos Santander-Maturana:** May I answer quickly?

**The Chair (Mr. Kevin Daniel Flynn):** No, I'm afraid you can't. We're way out of time. But thanks for coming. We have your presentation in writing.

**Mr. Carlos Santander-Maturana:** Thank you.

#### ALZHEIMER SOCIETY OF THUNDER BAY

**The Chair (Mr. Kevin Daniel Flynn):** Our next presentation this morning is from the Alzheimer Society of Thunder Bay. If you'd like to come forward, Alison. Make yourself comfortable. Like previous delegations, 15 minutes. Use that any way you see fit. Any time for questions will come from the Conservative Party. The floor is all yours.

**Ms. Alison Denton:** Good morning. My name is Alison Denton and I am the executive director of the Alzheimer Society of Thunder Bay. I'm here this morning representing 200,000 Ontarians who are currently living with some form of dementia, with Alzheimer's disease being the most prevalent.

Alzheimer's disease and other forms of dementia are progressive, degenerative and fatal. Currently, there is no effective treatment or cure. We expect this number will increase in the province by 31% by 2020. Here in Thunder Bay, the number is 19%.

The Alzheimer Society of Thunder Bay exists to serve the over 2,600 people within the district of Thunder Bay living with dementia, and their families. In the North West LHIN, there are 3,850 people living with dementia. We provide education, training and other supports for health service providers caring for people with dementia. We provide individual and family counselling and support for persons with dementia and their partners in care and offer the provincial First Link program throughout the district of Thunder Bay.

As an aside and to explain our services for persons with dementia and their family caregivers, it might be appropriate to give you an indication of how our services can impact the system based on a small investment.

The best-case scenario is that a person with dementia would be referred to our services at diagnosis by a primary care physician or by another health service provider. At that point, a person with dementia and their family are guided and navigated through the system in a timely way as the disease progresses. We believe that this navigation through the system, along with individual and

family counselling and education, can assist a person in navigating the progression of the disease and meet their care needs in a timely way without the impact of crisis—meaning that we may be able to mitigate a significant impact on the health service provisions within the community.

0950

We have a small staff of 10 at the Alzheimer Society of Thunder Bay and our annual budget this year is \$675,000, with just under one third of our funding coming through the North West LHIN. We are currently fundraising two thirds of our annual budget. Last year, we served over 500 individuals living with the consequences of dementia and so far this year, we've served over 600 clients, and we still have two months to go. This month alone, we've received over 30 new referrals.

The Alzheimer Society of Thunder Bay has been working with all other Alzheimer societies across the province to call on the government to improve the care provided to people living with dementia through targeted investment of existing funds within the budget. A robust group of volunteers has been working to engage every MPP on the issues by telling our personal stories and calling for support of our proposals for change. As of today, 54 MPPs have been visited and hundreds of letters have been sent by the public to their MPPs in support of our proposals.

Most people wish to remain at home as long as possible. Staying at home also decreases health care costs. We acknowledged increased funding to home and community care in an effort to make this happen, with an increase in home and community care funding by 5% annually over three years.

Despite the increased investment in services, services available for people with dementia remain uneven across the province. The majority of local health integration networks do not recognize dementia as a priority health condition. Some LHINs do target funds to dementia care but the benefits to the person with dementia are not apparent.

Our clients are challenged to cope with a dementia diagnosis. The following three issues are primary causes of distress as they travel this insidious dementia journey:

- difficultly accessing home care supports due to lack of dementia-specific training for staff providing care in the community;

- inconsistent care available in long-term-care homes because there is no requirement for staff to have training in dementia care and there are not enough staff to actually provide the care; and

- unequal access to long-term care because wait times vary widely across the province, and people with dementia often wait longer than everyone else.

Given the pressure this disease places on the health system, we are asking that dementia be made a health priority in this round of budgeting for home and community care. Without explicit policy on dementia care, how can we expect the community care sector to effectively provide care to the increasing number of clients who will have dementia? Of course, increased prevalence

of dementia means not everyone can remain in their community. People with advancing dementia need access to high-quality long-term care. Residents enter long-term care with more complex needs than before. The added demands on staff require more people to share the load and a more specialized skill set. Some 70% of residents in long-term care have dementia, with 45% showing significant behaviour symptoms. The use of antipsychotic medication to control resident behaviour continues to increase at alarming rates, with 32% taking them who don't have psychosis. This medication is not indicated for the elderly and increases the risk of death significantly. Attached to our submission is a letter sent to all MPPs by MPP Donna Cansfield describing this situation in greater detail.

We know what needs to be done and we have started to do it. Behavioural Supports Ontario is an innovative approach to addressing the issues of alternate-level-of-care days, wait times and effectively reducing behaviours in our residents, but it was not implemented in all homes and communities. In the northwest, the investment through BSO has enabled the creation of a specialized regional behavioural health services unit through St. Joseph's Care Group, two mobile teams and an investment into specialized education and training for health service providers working with people with dementia. This investment was welcomed. The Alzheimer Society recommends that BSO is used as a model to continue the good work that is already happening in hiring new staff and training all staff in effective alternatives to physical and chemical restraint methods.

Finally, there is an issue of wait times. We all know that getting into long-term care takes an average of 3.5 months. In the northwest, however, the average wait time for long-term care is nine months. That's the average, and it is the highest in the province. In addition, people with dementia are usually considered harder to care for and therefore must wait longer for a home willing to take them. A lack of specialized units and no mandatory training in dementia care exacerbate this situation, resulting in even longer wait times and more pressure on emergency departments and ALC. Using BSO, we can reduce these wait times. So we are recommending that existing allotted funding be directed to support the continued implementation of BSO in all homes, and that the government establish a wait times standard that facilitates fair and equitable access to long-term care, no matter where you live and no matter what your diagnosis.

To summarize, the Alzheimer Societies across Ontario are calling on the Ontario government to show a commitment to addressing these challenges in the 2014 budget. Make dementia clients and their families a priority, please, in the next round of community funding, through explicit policies for the provision of dementia care in the community. Provide for more staff in long-term care with specific skills to support persons with dementia, and use Behavioural Supports Ontario as a model. Establish a fair and standardized wait time for long-term care so that

persons with dementia have equal access and Ontarians do not wait longer in some parts of the province.

Thank you for inviting me here to speak today. If you have any questions, I'll be happy to answer them.

**The Chair (Mr. Kevin Daniel Flynn):** That's great, Alison. Thank you very much for coming this morning.

Are there questions from the Conservative Party? You've got just over four minutes.

**Mr. Toby Barrett:** Thank you for attaching the letter from MPP Donna Cansfield. We went through that letter in my office, and we found it interesting—the data that you also presented with our various long-term-care facilities—and it served as a bit of an evaluation of our facilities. It was quite a spread in who was doing this and who wasn't. I'd like you to comment a bit on that letter, if you will. You provide, certainly, in the Behavioural Supports model, alternatives not only to chemical restraint, but also to physical restraint. In fact, Frances Lankin did a lot of work on that a number of years ago, when she was an MPP.

In hiring new staff—I see so many people in wheelchairs, for example—what are the barriers? Why do we not have more volunteers, for example, helping out in some of our long-term-care facilities? I'm all for home care, as you recommend. But with respect to long-term-care facilities, staff don't seem to have the time. They put people in wheelchairs rather than walking them down for lunch and what have you. Just a comment on that—and then if you could comment on the letter.

**Ms. Alison Denton:** First, I'll comment on your question about volunteers. Certainly, the Alzheimer Societies across the province have a very strong volunteer mobilization strategy, and we do have a number of non-government-funded projects in relation to volunteers going into places like long-term-care homes to support persons with dementia and their families. When we consider some of the responsive behaviours that often accompany Alzheimer's disease and other forms of dementia—I think you can probably imagine that some of those behaviours are very challenging and very upsetting. Also, there's a certain amount of risk associated with those behaviours. Obviously, placing volunteers in long-term-care facilities to assist in the delivery of care is not necessarily a safe environment for them to be in. I hope that that answers that question. It's not that we don't use volunteers, but volunteers are not a way to support the delivery of care to persons with dementia from registered staff who are trained in dementia care.

**1000**

Going back to MPP Donna Cansfield's letter—who's here today—what we are talking about is the use of antipsychotic drugs in an elderly population. Oftentimes, we find that behaviours that become challenging in a long-term-care environment—the lack of staff and the lack of specialized education and training for those staff mean it's very difficult to care for persons within a particular unit. Therefore, antipsychotic drugs as a form of chemical restraint, there is an increase in that—

**Mr. Toby Barrett:** My colleague has another question, if I could interrupt.

**The Chair (Mr. Kevin Daniel Flynn):** It's going to have to be very, very short.

**Mr. Douglas C. Holoday:** Okay. I'm just wondering about early intervention and whether or not the screening or testing of some description might help people before it progresses to the point where they can't be helped. I wonder if there's a benefit to that, and if it's being done.

**Ms. Alison Denton:** Absolutely. Many of the campaigns of the Alzheimer Society of Canada and of Ontario suggest that the warning signs—a person should seek early diagnosis.

**The Chair (Mr. Kevin Daniel Flynn):** That's very good, Alison. Thank you very much for coming. Thanks for your presentation.

#### NORTHWESTERN ONTARIO ASSOCIATED CHAMBERS OF COMMERCE

**The Chair (Mr. Kevin Daniel Flynn):** Our next presentation this morning is from the Northwestern Ontario Associated Chambers of Commerce. Michael, if you'd like to make yourself comfortable. Fifteen minutes, like everybody else. If we have any time left over, the questions will come from the NDP this time.

**Mr. Michael Nitz:** Okay. Much appreciated. Good morning, everyone. My name is Michael Nitz. I'm president of the Northwestern Ontario Associated Chambers of Commerce. Thank you for the invite this morning. I'm looking forward to delivering a presentation and answering any questions you may have.

NOACC or the Northwestern Ontario Associated Chambers of Commerce is the voice of business here in northwestern Ontario. We represent nearly 2,000 businesses from Rainy River and Kenora over to Marathon and Greenstone in the east. We really, again, appreciate the opportunity to speak today.

In recent months, the Minimum Wage Advisory Panel has toured the province to gain feedback on how minimum wage is set. With no process in place to determine how and when minimum wage should be adjusted, changes can occur suddenly and without sufficient warning.

We are concerned that a significant bump in minimum wage at this time would have a negative impact on the Ontario economy. Sectors such as retail, hospitality and leisure have been particularly hard hit by the recession and continue to suffer as a result of the reduced American tourist visits to Canada, increased online shopping and increased cross-border shopping. We agree with the Ontario Chamber of Commerce that the minimum wage should be tied to an economic indicator that measures inflation, such as the consumer price index.

Pegging the minimum wage to inflation makes sense for three reasons:

(1) It is fair for employees and employers: Employees won't be subjected to long wage freezes and employers

won't be subject to sudden and unforeseen increases in business costs.

(2) It is transparent: The process can be easily understood by both employees and employers who can clearly see that increases are tied to inflation over a set period. Furthermore, it would remove political interference from the process.

(3) It is predictable: Changes in minimum wage rates would happen at regular intervals, either yearly or every two years, and would allow businesses to plan accordingly.

We understand that inflationary increases are necessary; however, it is vital that changes are made in a fair, transparent and predictable way, that the economy does not suffer and employers have sufficient time to prepare and adjust.

Another issue we'd like to bring up is the skills gap and the need to address this. Two major trends are creating skill shortages. The first is the aging of the population and the departure of the baby boomers from the workforce. The Conference Board of Canada's long-term economic outlook projects that by 2025, one in five Canadians will be 65 years of age or older.

The second trend is that jobs are increasingly specialized, which, in turn, demands more educated and skilled workers. The evidence is clear that the rising shortfall of skilled workers and the growing mismatch between the skills required and those available has evolved into a skills crisis affecting both the Ontario and the Canadian economies. Funding is vitally important to address the training and skills needs of Ontarians in all sectors.

One area that needs further attention is the apprenticeship system—the Ontario system is uncompetitive with other resource-based provinces. In terms of numbers, many skilled trades require four journeypersons to two apprentices, which leaves both small companies and rural communities at a disadvantage and does little to address the growing shortage of skilled trades. We believe that the current ratios are too high and we should instead be comparative to the Alberta and Saskatchewan levels of one journeyman to three apprentices.

We also remind the province of the urgent need to engage aboriginal communities in skills training programs and opportunities to ensure that they take full advantage of the benefits of economic growth. The recent North Superior Workforce Planning Board's labour market plan indicates significant growth in the aboriginal population in the region. There is much work to be done to provide the training and skills that will enable the engagement of aboriginal peoples in our growing economy.

In regard to mining, despite the challenges in that sector over the last 12 months, we still believe that the region presents an exceptional opportunity for significant fiscal growth for the entire province. Northwestern Ontario is home to hundreds of active mining projects including eight new projects in either the construction or production phase by 2016 at an estimated mineral value of over \$50 billion.

We encourage the province to continue to move forward in the development of the Ring of Fire, which has been valued at nearly \$85 billion. While the pace of progress has been disappointing, we are pleased to see that steps have been taken in the last 12 months to put in place a chief negotiator and set up a development corporation. This development has the potential to drive the Ontario economy for decades to come, and we must ensure that the anticipated jobs, taxes and other economic benefits are not lost.

Investments must be made in the transportation, energy and technology infrastructure that will be needed to bring these projects to fruition. We recognize that the development of this infrastructure will require a substantial investment by the province; however, the return on investment through \$5.75 billion in tax revenue will more than offset these upfront costs in the long term. In addition, the need for reliable and affordable energy is paramount to ensure that processing of these minerals can be done within the region, creating jobs and supporting local communities, rather than being shipped to other jurisdictions.

Mining is not the only opportunity for economic growth through our natural resources. The forest industry is on the rebound and will continue to grow and prosper with the support of the provincial government. We believe that Bill 13, the Ontario Forestry Industry Revitalization Act (Height of Wood Frame Buildings), which would allow the use of wood in mid-rise construction for buildings of six storeys or less, will create demand for Ontario's wood products, supporting forest industry jobs and forest-dependent communities here in northern Ontario.

These opportunities cannot be realized without the permanent protection of a predictable and affordable wood supply. We encourage the province to permanently establish through regulation a minimum of 26 million cubic metres per year of accessible fibre for industrial use.

One final concern to bring to your attention is the Hardy Dam on Highway 622 near Atikokan. The Hardy Dam has reached the end of its projected lifespan. Emergency repairs have been made but long-term commitment is required. Failure of this structure will result in the loss of Highway 622 and the rail spur that serves the Atikokan generating station, and will isolate a number of residents, tourist operators and mining development sites north of Atikokan. We support the need for a complete replacement of the Hardy Dam and are hopeful that this can be addressed in the upcoming budget. Thank you again for your time today.

**The Chair (Mr. Kevin Daniel Flynn):** That's great, Michael. Thank you very much for your presentation. You've left between six and seven minutes. Sarah?

1010

**Ms. Sarah Campbell:** Thank you, Michael, for your presentation. I have a few questions for you. First, with respect to an increase in the minimum wage, are there any incentives, or maybe assistance that the province can

provide, that you think would be particularly beneficial or helpful in any way to businesses, that might make an increase in the minimum wage a little more doable?

**Mr. Michael Nitz:** Well, there are many programs that increase the wage, and it supplements the business to take on employees at a reduced cost. They do help businesses, but oftentimes businesses aren't qualified to apply for them, or it's a difficult process to apply for, or it may not be available expertise in their community.

**Ms. Sarah Campbell:** How about any future programs? Do you see any gaps or any opportunities for the province to maybe create something that might help businesses?

**Mr. Michael Nitz:** Anything that the province can do to ensure that businesses are set up to have predictable increases would be greatly appreciated, to allow them to plan long-term for their business and budgetary needs, but those sudden increases that are not tied to any specific index are difficult for businesses to plan for. With increased costs, it's difficult for them to generate significant revenue.

**Ms. Sarah Campbell:** Do you have any sense of what that assistance might look like, in particular?

**Mr. Michael Nitz:** No.

**Ms. Sarah Campbell:** No? Okay. You also talked about the need for the province to engage aboriginal communities and provide some training. Do you or your members have a position on connecting northern and remote First Nation communities, either by permanent all-season roads or by providing electrification?

**Mr. Michael Nitz:** Well, infrastructure, first and foremost—creating a road to the Ring of Fire will absolutely connect a lot of those communities and economies, and that will in turn spur innovation and education of those people and get them more heavily involved in the process. Any training for those individuals will be great—

**Ms. Sarah Campbell:** Okay. You also talked about the Ring of Fire and some of the things that need to be done, especially with regard to investments that need to be made in order to allow that project to come to fruition. Do you have any other ideas of what things need to be done on the part of the province to bring that project into fruition?

**Mr. Michael Nitz:** The consultation piece with the First Nations is paramount. We need to get that fixed. We need the infrastructure to get the rocks out of the ground and, as cost-effectively as possible, down to the other communities, so infrastructure through roads and rail is paramount. Really, once those things are in place, we can reap the full benefits, but infrastructure and negotiation between First Nations communities and businesses are really a great starting point.

**Ms. Sarah Campbell:** Okay. And have you heard from any of your members, or maybe any of the mining companies, or maybe even First Nation communities who you've had the opportunity to deal with, that there may be any challenges or issues with the Mining Act as it presently stands? Do you see any areas of improvement?

**Mr. Michael Nitz:** Not off the top of my head.

**Ms. Sarah Campbell:** Okay. Those are about all the questions I had.

**Mr. Michael Prue:** How much time do I have?

**The Chair (Mr. Kevin Daniel Flynn):** You've got three minutes, Michael.

**Mr. Michael Prue:** Three minutes? Okay. A couple of questions. Let's go back to the minimum wage. I understand the position of the chamber, and I understand that you want it regular, but there hasn't been a raise for the last four years. Are you suggesting that we simply start raising it today, or do we have to make up any time over the last four years, when there's been nothing given in terms of increases?

**Mr. Michael Nitz:** When was the last time?

**Mr. Michael Prue:** Four years ago.

**Mr. Michael Nitz:** Four years ago. So, obviously, being tied to an index, if it is based on inflation over the last four years, that is something to possibly go back and look at.

**Mr. Michael Prue:** Okay. So you would be willing, at least, to go back four years ago, when it was put to \$10.25, and look at inflation since then, rather than starting today? That's the question I've got. Some people are saying to start today.

**Mr. Michael Nitz:** Well, the last time would be fair, so four years ago would be fair.

**Mr. Michael Prue:** Okay. That's a good comment. The next question I have relates to apprenticeships. I met with some business people from Thunder Bay this morning, and they were quite clear on apprenticeships and about the necessity of moving it from a 4-to-2 ratio down. They did give the example of Saskatchewan and Alberta, and did talk about the necessity of training aboriginal communities, but is a 1-to-1 ratio doable? They were saying 1-to-1; they didn't need to go 3-to-1 the other way.

**Mr. Michael Nitz:** Is it doable as far as on the business side?

**Mr. Michael Prue:** Yes, on the business side. Do we need to go to the Saskatchewan example where it's one journeyman training three apprentices? There are arguments that you don't get the best education that way.

**Mr. Michael Nitz:** We should allow businesses the opportunity to see if it's a viable option within their business to provide that training. If they want to go to the full amount to the ratio, that's great—but at least giving them the opportunity to get more people on the workforce and trained in those industries. But when we have four journeypersons in rural communities—oftentimes that's impossible to find. So if we had an opportunity in those remote communities to inspire those youth—who oftentimes leave the communities to look for work—to stay and have the ratios in line for them to do that work locally, that would be appreciated.

**Mr. Michael Prue:** This morning, I was also told something that I had never heard before: that people who are apprentices in Thunder Bay can't go out to work in a place like Atikokan because they're not covered for inci-

dents, for a hotel room, all of those things, which means that people are landlocked. They're kept here; they're not able to go. This was new to me. How long has this been going on?

**Mr. Michael Nitz:** As long as—  
*Interjection.*

**Mr. Michael Nitz:** What's that?

**Mr. Michael Prue:** Never mind what he says. I want to hear what you have to say. He'll tell me anything.

**The Chair (Mr. Kevin Daniel Flynn):** Make it a very short answer, Mike, please, if you would.

**Mr. Michael Nitz:** It has been going for a while. With our large geography, there are those costs. It's not feasible for a lot of people to do that travel. So getting any incentives whatsoever to encourage people to go to those remote communities in skilled labour jobs would be appreciated.

**Mr. Michael Prue:** Thank you so much.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much, Michael, for coming. We appreciate it.

#### THUNDER BAY CHAMBER OF COMMERCE

**The Chair (Mr. Kevin Daniel Flynn):** Our next presentation this morning is from the Thunder Bay Chamber of Commerce. Charla, please have a seat. Make yourself comfortable. You have 15 minutes, like anybody else. Any time left over will go to the government side for questions this time. The floor is all yours.

**Ms. Charla Robinson:** Thank you. Good morning. Good morning, Vic. My name is Charla Robinson. I'm the president of the Thunder Bay Chamber of Commerce. It's a real pleasure for me to be here this morning with you. Thank you for coming to Thunder Bay—as usual, on probably the coldest day of the month.

The Thunder Bay Chamber of Commerce is the voice of business. We represent the interests of over a thousand business members and their over 15,000 employees, comprising all sectors of the local economy. We appreciate this opportunity to outline a few issues that are of concern to our membership.

First of all, we know that small business is the life-blood of our economy. It represents over 95% of businesses and 88% of employment in Ontario. One of the challenges we hear from our small business members is the length of time that it takes for them to get paid when they provide services to provincial ministries and departments. We're very concerned about the negative impact that a delay of payment by 60 or 90 days or even longer will have on small business cash flow and their increased credit charges. We believe that there are no-cost solutions available to this problem. One easy option would be just to ensure that all payments are made in 30 days. Other jurisdictions have gone a step further to promote prompt payment. For example, the province of Saskatchewan immediately pays 25% of the invoice value upon receipt of an invoice from a qualifying business. We believe that the province of Ontario should follow Saskatchewan's

lead and adopt a similar policy to support small business success and to keep them from incurring those unreasonable credit costs and cash flow challenges.

Another issue I want to talk about is mining. Despite the challenges that we've had here in the mining sector, both globally and locally, over the last few months, we still believe that our region presents an exceptional opportunity for significant fiscal growth for the entire province. As Michael said previously, northwestern Ontario is home to hundreds of active mining projects, including five producing mines, three mines that will be going into construction this year and one mine that will be going into production this year. There are also an additional four mines that plan to begin construction by 2016. These eight new projects represent an estimated mineral value of \$50 billion, and that will have a significant impact on the economy of the northwest and the province as a whole.

**1020**

We again encourage the province to continue to move forward with the development of the Ring of Fire, which has been valued at nearly \$85 billion and, as we know, has been touted as something that will be an economic driver for decades to come. While progress has been slow, we are pleased with the appointment of a chief negotiator and that the development corporation is in the process of being set up. We believe that this development is vital to the Ontario economy as a whole, and we must ensure that the anticipated jobs, taxes and other economic benefits are not lost. Time is of the essence to move this forward.

Investments must be made in the transportation, energy and technology infrastructure—I repeat what NOACC has said—because these investments are needed to make this project happen. We know that's going to mean there is going to be some money put out by the province at the front end, but we also know that that investment will have a huge return through tax revenues and economic growth that will more than offset these costs in the decades to come; furthermore, of course, the creation of hundreds and thousands of jobs, which are much needed in this economy.

In addition, we concur with NOACC that the need for reliable and affordable energy is a top priority to ensure that the processing of these minerals can be done within the region, creating jobs and supporting local communities rather than their being shipped to other jurisdictions or even other countries.

Another area where we also concur with NOACC is with regard to the skills gap. We believe that the province needs to address the skills gap. We know that in the city of Thunder Bay, there is already a hiring challenge being felt across many sectors, from low-skilled positions in hospitality and retail to highly skilled positions in professional services and the trades.

We agree with NOACC that the Ontario apprenticeship system is in need of improvements. We believe that the current ratios are too high and that they should be at least 1-to-1 across the board, with a transition towards

the Alberta and Saskatchewan model of one journeyman to three apprentices. Furthermore, we know that tax credits are not enough to encourage employers with limited funds to make the significant financial and time investment involved in training an apprentice for four to five years. Funding is vitally important to address these training and skills needs.

We too support the proposals contained in Bill 13, the height of wood frame buildings act, which would allow the use of wood in mid-rise construction for buildings of six storeys or less. We've seen it successfully happening in BC for many years. We think this is very important legislation that will increase competitiveness in the Ontario construction industry, bringing those construction costs down, and also supporting the expansion of the forest industries across the northwest, and across the northeast as well.

We also encourage continued investment in the knowledge sector, building on past public investment in Lakehead University, the Northern Ontario School of Medicine, the Thunder Bay Regional Research Institute and the Thunder Bay Regional Health Sciences Centre.

The health sciences sector is not subject to the same cyclical booms and busts as our traditional resource economy and is therefore a good leveller and diversification for the economy. According to the Council of Academic Hospitals of Ontario, every dollar invested in Ontario's health research agenda is multiplied by three in economic impact. Investments in health research really do make Ontario healthier, wealthier and smarter.

We also congratulate the province on its announcement yesterday of renewing investment in the Ontario Research Fund. These investments are directly and positively impacting the immediate goals of reducing health care costs today while increasing quality of care for patients and commercializing research to create jobs and economic growth.

Finally, we echo the position of the Ontario Chamber of Commerce and the Northwestern Ontario Associated Chambers of Commerce regarding changes to the minimum wage. We also believe there needs to be a transparent and predictable method by which minimum wage is set, and we urge the government to link the rise in minimum wage with the rise in the consumer price index.

Thank you for your time and attention today, and I'm happy to discuss any questions.

**The Chair (Mr. Kevin Daniel Flynn):** That's great. Thank you, Charla. You've left almost seven minutes. Bill?

**Mr. Bill Mauro:** Charla, thanks for the presentation. Good to see you this morning.

First of all, thanks for your last paragraph on the bottom of page 2 and the acknowledgement of some of the investments that have been made in the knowledge-based sector. It's a piece I like to talk about often, and you're exactly right: It's a bit of a recession-proof investment. The knowledge sector is that, and we do know that, given what's going on globally, the knowledge economy is one that it's great to see grow. It's not something we've

had a big piece of here in Thunder Bay and northwestern Ontario.

One omission is you didn't have the law school included in your paragraph—I know you didn't do that on purpose—but I'm just happy to give that one a little plug as well.

I do have at least a few questions for you. I'm interested in the position of the chamber when it comes to corporate taxation. I don't mind saying it's one that I struggle with a little bit myself in terms of what I would like to see happen. I think it's fair to say it's a policy piece where the positions are pretty polarized politically in Ontario. I know that the NDP feels that they've been cut too much; I think it's fair to say that the Conservatives feel it's where they should be, or maybe they should be cut even more.

*Interjection.*

**Mr. Bill Mauro:** Mr. Fedeli is nodding his head.

As a Liberal, I don't mind saying I struggle with this one a little bit because I'm not always sure that when we cut it as significantly as we have, you're necessarily seeing the return.

The flipside of that is people might say, "Well, one of the reasons that Ontario recovered as well as it did"—I know there's still a challenge in the economy, but some would say, "One of the reasons you got back as many of the jobs—plus—that were lost through the recession was partially, at least, tied to the reductions in corporate taxation." So I'm just wondering if the chamber has a position on it; how you feel about it; if you think it should be further cut. Should it stay where it is? Should it go up? I'm just curious if the chamber has a position on it.

**Ms. Charla Robinson:** Thanks for the question, Bill. I doubt that you'll ever hear anybody saying, "Please tax me more." So I could clearly say that that is not what we're hearing from our businesses.

I think that the general feeling now is that the status quo on corporate taxation is good. We're at a good level; we're competitive. There's the concern, of course, that if you were to change that, that may have a negative impact on the economy. I don't hear from my members—or even speaking at the Ontario chamber level, I don't hear a lot of people asking to say that the corporate taxation rate needs to go down. Certainly, the perspective is that we're at a good point. We're at point where things are competitive and it's allowing business to, perhaps, make investments that they wouldn't be able to do otherwise if taxation was higher. So that's a good thing.

**Mr. Bill Mauro:** Well, that's fair and good to know. So there doesn't seem to be a push to ask to make it go lower.

**Ms. Charla Robinson:** I haven't heard that, no. I have not heard a push to make it lower, for sure.

**Mr. Bill Mauro:** Okay. The manufacturing sector was, of course, through the recession, the piece in Ontario that was really hit the hardest. There were a lot of really good jobs lost in Ontario. The simple argument is that Ontario, and the government, has done something

that's caused us to lose all those jobs. I think most people realize, of course, that's not the case, that our economy being so clearly tied to the American economy and everything that went there was the largest reason for the loss of those manufacturing jobs.

We have had success in bringing back jobs to Ontario. We have brought back a very large portion of them as full-time jobs, despite what some continue to say, but I am curious if the chamber has any thoughts when it comes to reinvigorating the manufacturing sector. There are major challenges out there, many of those over which the province has no control. Obviously, we just talked about corporate taxation.

I'm just wondering, again, on the manufacturing sector specifically, whether the chamber has any thoughts on what we could do to try and repatriate some of those lost manufacturing jobs.

**Ms. Charla Robinson:** Well, certainly from my perspective, for the city of Thunder Bay, we know that Bombardier has a major impact on our economy and is one of our few manufacturing facilities. We've been looking at how we can improve the manufacturing sector specifically in an industry like transportation-related, so transit, transportation.

We look at the Big Move coming up and the significant dollars that are going to be invested over the next 20 years in the development of infrastructure in the greater Toronto area to deal with some of the gridlock issues. We look at that as an opportunity to actually reinvigorate manufacturing for the province. We are in the process of coming up with some specifics around how that could be done. In broad terms, what we're saying is, we know that we've already got a 25% Canadian-content rule, but we think that there needs to be more support given, perhaps more consideration, when actually bidding for these projects, for making sure that the innovation is being done, and the research and the development is being done, in Ontario.

1030

So rather than bringing in other firms that are from other countries and them doing their R&D elsewhere, we think that that should be something that really should be considered, to make sure that we're able to grow that R&D in our own province, in our own areas, and to require those types of contracts to actually do that. That way, we will be able to ensure that those companies are doing that here, that they're required to make those investments. That will, we believe, also support the development of more manufacturing, helping them to get back on their feet after the challenges.

That's something that we're working on quite a bit right now, and we will definitely have a little more detail around that in the next few weeks. But I think it's vitally important to make sure that when we're making that kind of significant investment, that those dollars are staying in Ontario and creating Ontario jobs, rather than going elsewhere.

**Mr. Bill Mauro:** Do I still have some time, Chair?

**The Chair (Mr. Kevin Daniel Flynn):** You've got about 20 seconds.

**Mr. Bill Mauro:** I apologize; I was out of the room at the beginning of the presentation. I don't know if you spoke to the minimum wage piece. Mr. Prue asked, I thought, a very good question to Mr. Nitz previously about the minimum wage. You're aware we've struck the panel that will come back with recommendations. As Mr. Prue articulated, nothing has happened for the last four years, but I do believe Ontario's minimum wage is still the second-highest nationally. I'm not completely sure, and we have increased it about 50% since coming into government—

**Mr. Joe Dickson:** It's 60%.

**Mr. Bill Mauro:** —or 60%. Is your position similar to NOACC's, in terms of what you want, or what you'd like to see, around minimum wage?

**Ms. Charla Robinson:** Yes. Our position around minimum wage is the same. We think that we need to take the politics out of it, the uncertainty out of it. We need a system that actually makes sure that you know, whether it's every year or every other year, that it's tied to inflation, so that employers know what they are going to be dealing with as they are making their budgets, moving forward, and employees know that they are not going to be stuck with four years with no wage increase. We don't think it's fair the way it is to either side, and we think that that makes good sense.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much for coming today, Charla. I appreciate it. Thank you, Bill.

**Ms. Charla Robinson:** Thanks, Kevin.

#### ODSP ACTION COALITION

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation this morning is from the Ontario disability program coalition. Ruth, are you in the room with us? Come on forward.

**Ms. Ruth Westcott:** I have some handouts.

**The Chair (Mr. Kevin Daniel Flynn):** Sure. We'll hand them out for you. Have a seat anywhere you're comfortable, in front of a microphone. Fifteen minutes, like everybody else: Use that any way you see fit. If there's any time for questions, maybe the Conservatives will have some for you this time.

**Ms. Ruth Westcott:** Thank you, everybody. Good morning. My name is Ruth Westcott, and I'm a member of the ODSP Action Coalition. We are a coalition of approximately 150 disability agencies, anti-poverty groups, legal clinics and ODSP recipients who have been working together since 2002 to push for improvements to ODSP so that people with disabilities can live with justice and dignity.

I'm not sure I'm qualified to speak on behalf of the thousands of people with disabilities in our region, let alone the province. But I am bringing you the coalition's seven key messages today and the perspective of a person with lived experience.

We have a lot of people with disabilities in north-western Ontario. The conditions here can, in ways, be even more challenging compared to the rest of the province because of the geography and the need for many to travel to access health care. Don't tell me, but think of the figure in your mind of the amount of mileage, the rate of reimbursement that you get from your employer. Do you know, on ODSP, we get 18.5 cents a kilometre? That doesn't cover the cost of insurance or oil changes or repairs, let alone gas. But it's no problem; I get the poverty rate at the pumps. It's the same program the Ontario Energy Board is running that gives me a rate for low-income consumers on our costs for hydro and natural gas. I'm being facetious, of course; it's a huge problem.

I think you already know, as well, that we in north-western Ontario have a higher mortality rate relative to the rest of the province. We have more cancers, heart and lung disease, accidents and suicides. Dr. Gary Bloch wrote in the Globe and Mail recently that we're dying from poverty-related illness. What's going to happen if we cut our special diet, our diabetic and surgical supplies and, especially in the north, if we cut medical transportation if we're already dying from poverty?

Housing in this city is already in a state of emergency with a vacancy rate of virtually zero, so any changes to calculating shelter costs must not hurt us or we're at even more risk of being homeless, the consequences of which involve incarceration—it's a very expensive consequence.

If the reason that there's an increasing number of disabled people on ODSP in the first place is because people cannot access the other disability programs that they used to—according to John Stapleton, the programs of workers' comp and CPP and EI sickness and veterans' and private pensions—how is it good policy to address that by cutting social assistance?

Using controversial work capacity assessments to reduce the caseload, as was done in the UK, where 10,000 people died within six weeks of being deemed fit to work—that could result in expenditure cuts but it's not good policy. We must have an income floor.

Senator Hugh Segal says that the rate of poverty in Canada hasn't changed in 25 years, despite the \$160 billion spent on social programs. How much would it cost? Senator Segal says that \$30 billion would top up the 10% of poor Canadians to make Canada poverty-free. The savings from the money spent now on poverty-caused pathologies would be in the billions.

Neither the coalition nor the senator advocate for a GAI for the disabled. The coalition insists that we need our own program that can flexibly cover widely varying needs of people with disabilities, and that will require income above the poverty line. But we do need the brilliance of a GAI that gets rid of the rules that weigh us down.

I have a quick story about that. I found a roommate, another ODSP recipient. After the intrusive questioning that my worker is required to make of us about whether we were a couple—and we weren't—my ODSP worker took another run at me to try to save money; that's her

job. She told me that she determined that I was running a rooming house and that my friend's share of the rent would be charged as income to me, so that meant I would be worse off. We couldn't do that, so he had to move out. But he became homeless and he succumbed to his addiction problem. I've been sober 24 years, but he never made it back. He's 50. He had treatment-refractory mental illness, so he finally gave up on treatment. Some say that long-term depression like that eventually causes brain damage. He has heart, joint, skin and lung disease and he looks about 80.

Eighteen months later, my case got to tribunal. I heard, "Ruthie, I apologize on behalf of the province of Ontario. Of course, two adults are allowed to share accommodation and split the actual shelter costs 50/50." But it was too late. He never recovered, and neither did I. I need a high level of support, and although he was disabled, he provided that for me. This is just one of 50 examples of the way that ODSP has harmed me, and I'm the savviest advocate I know. What's happening to the people who are way more vulnerable than me?

Getting rid of the rules and interference that harm us: We have evidence, analyzed by the OECD from 45 countries that have given "free money" to 110 million poor people, which says that there were no negative effects on the labour market. The Swiss are going to a referendum on it.

**1040**

There is more support now than ever for this idea. At our last demonstration, when it was 40 below, we had First Nations people show up, activists from the unions, from gay rights, from women's groups, from faith groups. Environment lovers came and we had seniors and new Canadians and academia types and youth and health care workers. Why were they all there? Because they're mad that vulnerable poor people are dying. We believe that lifting people out of poverty saves money, save lives and unleashes human potential that you need.

Removing disincentives: We can address some of this with labour market strategies, higher minimum wage, expansion of the WITB, a better marginal tax rate for people moving from social assistance to work, access to child care and health benefits when you start working.

What is our road map for removing the many other disincentives that prevent us from entering the labour market? The Ontario government has to fulfill our obligation to the UN Convention on the Rights of Persons with Disabilities. Similarly, the RDSP is a very innovative way to address the fact that we haven't been able to save for retirement. Not only is it underutilized, it's also not accessible to nearly enough people.

One of the biggest groups of people on ODSP are those of us who have mental health problems, and like people with intellectual disability, we suffer the greatest stigma, which is one of the major barriers to employment. When we're not working, we must be supported with participation allowances for volunteering and supported to explore the variety of ways to be successful and productive. But there is a need for more programs that

eliminate that stigma, run by patients for patients, like the non-medical Gerstein Crisis Centre, where I was on the board in Toronto, and the patient-run businesses that only employ patients, like A-Way courier, Fresh Start Cleaning and Trinity Square Café, where I used to work. These are also great examples. But with a large population who have been disenfranchised for so long, we're going to have to deal with our anger before we can figure out what change looks like. And the people to teach me how to do that are my peers who have been successful escaping poverty, not the ODSP workers who have been policing me for decades. We're going to need to see our peers getting paycheques, prospering, participating in all areas of life, and recovering in spite of mental illness for that to enter our realm of possibility. We must also have new roles sharing the power of running the programs like ODSP that are supposed to help us.

I want to tell you a short story to end my presentation about the short-sightedness of ODSP policy cuts that result in a huge loss of potential.

In 2011, I was incredibly fortunate to benefit from two assets for the poor programs. In Thunder Bay, I was the first person in my credit union's scheme to help people on ODSP buy a house. I don't drink, I don't do drugs, I don't smoke, I don't gamble and I don't even shop much, so I had this incredibly good credit rating I didn't even know I had. I was eligible based on that and on my character references. The credit union lent me a \$2,000 down payment that was interest free and that I could pay back by signing over my dividends and my bonuses that are paid to all members of the credit union.

I found a bank repo in the east end listed for \$29,000. It's within walking distance of everywhere. I bought it. Mortgage payments: \$260. I got an Ontario renovation grant to get it up to code and I put in two years of work, with help from a few of my friends. We got a surprising amount of free material from the landfill. We worked a lot on the yard so I can grow as much organic food as possible. I grow grapes, strawberries, raspberries, Saskatoons, rhubarb, apples, herbs, currants, cranberries, sunflower seeds and veggies. It's a one-and-a-half storey building, and I can see the river from my bedroom. It's tiny, only 550 square feet on the main floor, and it only costs \$52 a month, on average, over 12 months, to heat it because I got an ecoENERGY grant to insulate.

A couple of weeks ago, the credit union sent their appraiser. They told me that it's now worth \$98,000, so I borrowed on it to max out the RDSP contributions that are available to people before they're 49, and I'll have \$40,000 this year. If I keep investing \$100 a month—which I might be able to do, because I have affordable housing—and if I invest it conservatively, I might, by the time I'm 60, have an income that raises me above the poverty line. I will have escaped poverty.

That program didn't cost ODSP anything, but, because of the cuts to ODSP emergency home repairs and the cuts to CSUMB, the credit union had to pull the plug, because of course it's far too risky to put someone into a mort-

gage if there's no safety net for homeowners on ODSP. It's an incredible shame.

In closing, I would urge you to recognize how mindless cuts have not saved money in the long run. They hurt people in the short run, and they save nothing in the long run. I stand before you as proof of that. Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much for coming today, Ruth. You've left about a minute for questions. Toby?

**Mr. Toby Barrett:** Thank you, Chair.

Very quickly, then, "Employment supports" under your—

**Ms. Ruth Westcott:** I'm hard of hearing. I'm sorry. If you look at me, it helps, and if you talk slowly. Thank you.

**Mr. Toby Barrett:** All right. Your key messages, the category "Employment supports"—first of all, thank you for speaking on behalf of so many people who can't speak on behalf of themselves, people who are isolated, people who are not working. I think maybe only one in 10 are working—something like that—or volunteering, or, by extension, being part of the community.

We've had several reports now: the Gail Nyberg report, which recommended more people being involved in the workplace; the Frances Lankin report—very specific recommendations to get people on disability more involved in the workplace. Now, you have some problems with that approach?

**Ms. Ruth Westcott:** I think the experience in the UK is very important for us to consider if we're going to go that route and use the same approach, as I mentioned already.

**Mr. Toby Barrett:** Make it just voluntary. Right. Okay.

**The Chair (Mr. Kevin Daniel Flynn):** Okay. Thank you, Ruth. Thank you very much for coming today. We appreciated your presentation.

**Ms. Ruth Westcott:** Thank you.

#### POVERTY FREE THUNDER BAY

**The Chair (Mr. Kevin Daniel Flynn):** Our next presenter after Ruth this morning is Terri-Lynne Carter, chair of Poverty Free Thunder Bay. Terri-Lynne, if you'd like to come forward and make yourself comfortable and maybe introduce your colleague.

**Ms. Terri-Lynne Carter:** Hello. This is Sara Williamson. She's the vice-chair of Poverty Free Thunder Bay, and I'm the chair of Poverty Free Thunder Bay.

**The Chair (Mr. Kevin Daniel Flynn):** Wonderful. Your presentation can be 15 minutes. Leave any time you want for questions. If there is any time for questions, they will come from the NDP this time.

**Ms. Terri-Lynne Carter:** Okay, thanks.

We are an advocacy coalition working for change at the local, provincial and national levels to eliminate poverty and its impact on our community. Our membership is broad and diverse. It includes agencies in the health and community sectors, faith groups, labour and academ-

ics, concerned citizens, and low-income individuals and families. As a community builder, we continue to focus our efforts to engage, educate and act as a catalyst for systemic change and social inclusion.

In 2009, all parties in the Ontario Legislature supported poverty reduction as a public policy goal through their unanimous support of the 2009 Poverty Reduction Act. Since then, Ontario has witnessed an overall decrease in child poverty rates through the strategies, targeted actions and investments, with the bulk of these changes occurring during the recession.

In last year's budget, the Ontario government demonstrated their interest in making income security reform the cornerstone of the next poverty strategy. The Ontario budget established a panel to review the current minimum wage and has begun the process of social assistance reform in advance of the implementation of the recommendations of the Commission for the Review of Social Assistance that was formed in 2012. Some of the changes include asset increases for people receiving Ontario Works, allowing people on Ontario Works to own a vehicle and increasing the amount of money that people on Ontario Works and the Ontario Disability Support Program can keep when they work. Those are just a few of the things that happened in last year's budget.

1050

While last year's budget contained modest steps toward positive change, they were only first steps toward reform. Additional concrete, immediate improvements to social assistance as well as other programs are required to reduce poverty of low-income individuals and families and lift them out of poverty and promote their health and dignity.

For social assistance, the current levels of income for people receiving it are not adequate, despite increasing Ontario Works and the Ontario disability support payment rates by 1% and boosting single individuals on Ontario Works by \$14 a month. These increases do not keep up with the loss in purchasing power that people on social assistance continue to experience due to inflation. Those receiving social assistance continue to experience compromised health, social exclusion and restricted opportunities to participate in the labour market and the community.

At present, a single person's Ontario Works cheque does not even cover food, housing and clothing costs. A single individual on Ontario Works will receive \$626 a month to cover shelter and basic needs. In Thunder Bay, the average price of a bachelor apartment, as of October 2013, was \$567. The Thunder Bay District Health Unit prints out a report. It's the Cost of Eating Well in the District of Thunder Bay, 2013. They have calculated the cost of a nutritious diet at \$267.33. So thus, the remainder of their income would be short \$115.33 of the cost of a nutritious diet. I was updating the figures from last year. Last year, it was \$109, so they're losing ground.

A commitment can and must be made to achieving income adequacy. Reforming the social assistance system

will be disruptive to the people who rely on the system. Reallocating or reducing funding while reforms are proceeding will ensure hardship. The unacceptable risk of undertaking reforms without additional investment is that people who already live in poverty and insecurity will be made worse off.

We recommend that the government do the work necessary, in consultation with people receiving Ontario Works and ODSP and other stakeholders, to determine an adequate level of income that reflects actual costs of living and commit to achieving that level of income, potentially from a combination of rates and other income sources, within a defined and short period. In the meantime, an immediate increase to Ontario Works and ODSP rates by 55% to bring them back to pre-Harris levels must also be made to begin to address income inadequacy. We would also like to have Ontario Works and ODSP tied to the cost-of-living increases so their purchasing power won't have all that erosion.

We also want to provide the special diet benefit for the additional nutritional costs associated with particular medical conditions. For some conditions, changing one's diet is the first line of medical treatment and much more cost-effective than medication and hospitalization.

Our recommendation also is to provide employment benefits for all people on low income. Give them work clothes, tools and adaptive devices needed to overcome barriers to people trying to get a foothold in the workplace.

Minimum wage has been frozen at \$10.25 since 2010, while the costs of basic items such as shelter, food and transportation have not. A minimum wage worker in Ontario is at least 20% below the poverty line. A full-time job should not leave anyone struggling to pay their rent and feed their family. Although young workers are much more likely to be working for minimum wage than those who are over 25, almost 40% of employees working for minimum wage, or 183,000 Ontarians, were 25 years of age and over in 2011.

We agree with other anti-poverty organizations across the province that we need to increase minimum wage to \$14 an hour this year, which is 10% above the poverty line, based on a 35-hour week, with a commitment to annual cost-of-living adjustments. This will ensure that minimum wage keeps up with inflation.

It is the same story here as elsewhere in the province. Minimum wage workers are living in poverty. Many go to the food bank regularly. Inadequate income exacerbates mental and physical health problems. Children's lives are restricted. There is little time to participate in community activities. Minimum wage jobs are heavily represented by women—many single mothers—aboriginal people, recent immigrants and young people. And it is an uncomfortable irony that there are staff in non-profit organizations who are earning below the poverty line while providing services to others in deep poverty.

In preparing for our presentation, we actually spoke to minimum wage workers, and here are some of the issues that they are facing.

Women working in building-cleaning jobs observe that these are not entry-level jobs; they're dead-end jobs. There are no health or pension benefits, no raises and no promotions. It is physically hard work; it should be recognized with adequate pay.

Over the years, cleaners working multiple part-time jobs reported suffering a lot of wear and tear on their bodies. Because their employer has no health plan, their minimum wage job has to cover the costs of orthotics and chiropractic sessions.

It's also difficult finding a place to rent when the landlord learns that the rent is coming from a single mom with a part-time job. In 2012, we had a flood here and many people lost their apartments. One woman with a child lost her apartment and all of her possessions. While homeless, she had to continue to go to work and look after her child. She could not afford to take time off work to cope with the disaster.

A young man who worked in cleaning said that it was good work but it was hard, and he felt he was worth more than \$10.25 an hour. A minimum wage of \$14 an hour would give him confidence in himself. He would feel like a valued citizen and a contributor to society. People on social assistance told us that it would be enough to live on. They would be off of social assistance; they wouldn't go back on it.

Single mothers said they could spend more time with their children if they didn't have to work so many hours to cover family expenses. They could buy more nutritious, fresh food for their growing children. They could take a vacation by Greyhound bus to a campground. They could take school courses to upgrade skills for a better job.

While large companies can afford the \$3.75-an-hour increase tied to inflation, we realize that small businesses may need a tax break to transition through the improvements for their staff. Anecdotally, we know that many small businesses already pay above minimum wage and recognize their workers as vital to them. Actually, I was told by one employer that when he paid minimum wage he was constantly looking for employees, and that took so much of his time that he gave a lot more money.

When workers are earning at least \$14 an hour, they are spending more money at local businesses. With better income comes better health and less cost to the health care system.

There are many improvements needed to labour standards. A decent minimum wage of \$14 per hour is an important cornerstone, and we want it tied to inflation.

**Ms. Sara Williamson:** On the housing aspect, we're recommending to provide long-term funding for new or retrofitted social housing and maintenance. Although the private rental vacancy rate has recently increased a bit—to 2.6%—there's a serious disconnect between low-income renters and appropriate safe, healthy, accessible rental units. The average rent is lower than many other cities, but when a unit becomes vacant, landlords raise the rent above the allowable increase for a rented unit. They can do it because it's vacant. Regardless, after paying rent, people on social assistance or in precarious

minimum wage work do not have enough to cover all the basic costs of living, as you can see from the Cost of Eating Well report.

Also, some of the vacancies are for units with serious deficiencies. Utilities aren't included, and there is a huge cost in winter, especially, because too often rental units have little or no insulation. Quotes from low-income families: "You could hear the wind whistling in where the roof joins the wall"; "The heating system doesn't work, so my sister has to leave the old electric stove on all the time so her kids won't freeze." Some units are far from grocery stores and bus service is infrequent. Other apartments are in old buildings, crammed down narrow hallways at the top of poorly lit stairwells, with an unlocked entrance, making it less safe and basically creepy. We suspect that further research would show that vacancy rates are skewed because tenants move out of these marginal dwellings as soon as they can. So there are vacancies, but not where you might want to invite your parents or raise your children.

The Canadian Mental Health Association delivers a Home First program for housing seven homeless individuals and providing them with ongoing support services. They're having difficulty finding satisfactory housing with the rent subsidies that they can offer, even though they can tell the landlord they've got support services to deal with any problems the person might run into.

#### 1100

When the private sector cannot meet a public need, the public and non-profit sectors must step in. Like the rest of Ontario, there's a long wait-list for social housing and co-op housing. The present social housing structures are getting old and less heat-efficient, and require substantial maintenance. The provincial funding formula tied to the fiscal year makes it difficult to do major capital work.

Another recommendation is to provide adequate core funding for support services for people vulnerable to homelessness. This is a thing that we keep hearing over and over again. All kinds of support services for people with various vulnerabilities are essential for success in stabilizing housing for people vulnerable to homelessness. Knowing there's a third party available to help prevent problems and to work through difficulties that arise, landlords are reassured. To give this reassurance, agencies need sufficient funding to give a high level of support initially. For tenants with severe disabilities, intense ongoing support is required: for example, a brain injury.

Because trust-building and stable relationships are essential to success, support service workers at all stages of transition must be fairly compensated for their demanding jobs. As we've noted, some of them are working poverty wages, too. It's time that funding models take this into account. Provincial funding investment must be increased significantly. This will prevent the spiralling costs of keeping people in hospitals and emergency shelter beds.

Another recommendation is to maintain the program purpose for the Community Start Up and Maintenance

Benefit, called CSUMB, and the Home Repairs Benefit, HRB, by restoring those programs and also making transitional funding for the Community Homelessness Prevention Initiative, CHPI, permanent. Low-income Ontarians need the government's guarantee that the funds they need to get housing or stay housed will be there when they need them.

I think you've all heard about this CSUMB thing that was cut. It was something that was appealable; it wasn't a discretionary benefit. So it was very important. There was that stability, and I think it was a reference to that before.

**The Chair (Mr. Kevin Daniel Flynn):** Maybe you should go right to the closing remarks, Sara. I think we got your point on CSUMB.

**Ms. Sara Williamson:** I'm going to let you go for that.

**The Chair (Mr. Kevin Daniel Flynn):** And we've heard it a few other times around the province as well—exactly the same argument. So if you just want to close, that would be great.

**Ms. Terri-Lynne Carter:** We just want to urge the government to take bold steps in this budget to reduce poverty by adding immediate improvements to social assistance, minimum wage and housing. That would lift people out of poverty and bring them health and dignity.

**The Chair (Mr. Kevin Daniel Flynn):** You can finish if you like. I've got one more page.

**Ms. Terri-Lynne Carter:** Oh, that's okay.

**The Chair (Mr. Kevin Daniel Flynn):** Okay. Well, thank you very much for coming. I appreciate it. Unfortunately, you've used all your time in your presentation, but it was very comprehensive, and thank you for it.

#### NORTHWESTERN ONTARIO MUNICIPAL ASSOCIATION

**The Chair (Mr. Kevin Daniel Flynn):** Our next presentation this morning comes from the Northwestern Ontario Municipal Association. That would be—you don't look like Kristen. We have "Kristen Oliver," but you're somebody else, so if you'd introduce yourself, that would be great.

**Mr. Iain Angus:** She does all the work; I do all the speaking.

Mr. Chair and members of the committee, my name is Iain Angus. I'm the vice-president of NOMA, the Northwestern Ontario Municipal Association. I'm also a councillor-at-large for the city of Thunder Bay. It's good to be back before this committee. Welcome back to Thunder Bay.

I'm not going to go through the formal brief. I'm going to highlight some of the key points and hopefully leave time for questions.

I just want to point out, though, that NOMA represents the interests of 37 municipalities, from Kenora and Rainy River in the west to Hornepayne and Dubreuilville in the east. We're very proud of the fact that we represent 100% of the municipalities within the three districts—Thunder

Bay, Kenora and Rainy River—as well as a couple of guests from the Algoma district. It's a very strong organization.

I want to touch briefly on a topic that NOACC and the Thunder Bay chamber talked about, and that's mining. The key point is, we all talk about the Ring of Fire, but that's only a small part of what's happening in this region. We have about 23 mines working their way through to development. Some are going to happen this year, some are going to happen next year, but most of them will happen between now and 2020. Only three of those are in the Ring of Fire. To put it in context, the Ring of Fire is important for the long-term future of the northwest and for Ontario, if not Canada, but there are a number of mines that are more important today, and over the next three or four years, to the economy of this region, and they need whatever supports the province can give them in order to make sure it happens. Part of that is taking a look at the approval processes and making sure that they are as fast as they can be without undermining the key principles of those processes, whether that is in the mines themselves or in the energy or the transportation infrastructure—what have you. They need the assistance of Ontario to make sure that those things can move forward.

In terms of the Ring of Fire, we're pleased with the decision by the province to set up the development corporation. We think that's a very important and very useful tool. We would like to see municipal representation at the table, either as a formal voting member of the development corporation or as an official observer. We think municipalities have a major role to play in the Ring of Fire, whether it's Pickle Lake or Greenstone or Thunder Bay or any of the other communities that currently serve the mining industry or are going to be the host community for the population that works there. We feel that we have a lot to provide the province and the development corporation in that regard.

In terms of the forest industry, the Canadian dollar dropping is very good for us. We don't know whether that's going to be a sustained drop, but we do know that 50% of BC's product is no longer going to be available, and that's going to open up a very large market again for us in the States. The softwood lumber tariffs will not really be a factor this time. Again, Ontario needs to do what it can to facilitate the mills reopening and new mills being built.

I know that there are some issues in the Kenora area in terms of the ability of two projects to actually get a wood supply, because of the current approach that is being taken. So we need to work collectively to make sure that we can move these projects forward. Keep in mind that we lost 10,000 jobs in the northwest. That was before the recession hit in southern Ontario. Most of those men—and they were men, the majority—are now working out west. We'd rather have them come home. Dave Canfield estimates there's at least 1,000 men from Kenora who are working in Saskatchewan and Alberta, leaving their families behind. We think for community cohesiveness and

community economics, we need to have those workers back. Of course, the very fact that those men are working elsewhere means that they're spending money elsewhere as opposed to within our region.

We also support the call from NOACC—and we've said this a number of times—by legislation or by regulation, saying that 26 million is the magic figure in terms of the available wood supply that we can use with some certainty; to say, yes, that's what we're always going to have available to us on a sustainable basis, and to be able to go out and find the companies that will look at investing here in the northwest.

"Heads and beds" payments: Back in 1987, \$75 per student and bed was established as the going rate. That's for payments in lieu of taxes for universities, hospitals and correctional institutions. It hasn't changed since 1987. When you go to the Bank of Canada website and take a look at the inflation calculator and plug in \$75, it comes up as \$132.73, so a significant decline in what the province provides funding to these institutions for, which in turn is paid to the municipalities, to pay for the services that we provide on a daily basis to our hospitals, to our schools, to our two correctional facilities. We think it's past time to bring that up to date and to build in some kind of inflation protection so we never have to come back and ask again; it automatically is adjusted. Whether it's every year or every second year can be worked out, but we think it's important to raise those amounts and to have an established process for change. As Charla Robinson said, take the politics out of it. Let's just do it once, and it's done with, and it becomes part of the core budget.

#### 1110

Municipal infrastructure funding: It wouldn't be a NOMA presentation without some commentary on our needs. I'm not David Canfield; I don't have that many bridges. But certainly Dave has been very clear for many years about the high cost of capital replacement, capital development. Roads, bridges and other critical municipal infrastructure are things that need to be looked at further. We appreciate the announcement of the \$100-million infrastructure fund to help small, rural and northern municipalities as part of your 2013 budget. That was an important step, and we do appreciate it.

We do encourage the province to implement adequate sustainable infrastructure funding for municipalities, and it's crucial that the government recognizes the limitations that small northern communities face when dealing with infrastructure costs while providing other municipal services. That's on two components. One is the dollars. For some of these municipalities, 10% of a project will be greater than their annual capital budget, if not their total budget. They can't afford to do some of the stuff that, say, the city of Thunder Bay is able to do, so we need to keep that in mind. Secondly, I think the province has moved forward on this in one area in terms of the funding to do the strategic planning for infrastructure, but we need to recognize that a lot of our communities don't have the staff talent to do a lot of this work. There needs

to be some other kind of resource made available to them to assist them in preparing the plans, doing the analysis, preparing the tender documents and what have you in order that they can take advantage of these programs.

Finally, I want to talk about the one-size-fits-all concept that we all hear about. Each region of the province has its own unique challenges and opportunities, and it's important to recognize those differences as you undertake your role as a member of this committee and a member of the Legislature. For example, to close a ServiceOntario office in downtown Toronto may require a citizen to travel a few extra blocks on the subway or the LRT, which we're pleased are built here; whereas the closure of a ServiceOntario office in Rainy River means we're talking about an hour's drive in what can be really crappy weather and unsafe driving conditions in order to access services that most people in the rest of the province take for granted. The provincial policy statement on land-use planning has an entirely different implication in Ajax than it does in Atikokan. Closing a tourist information centre at the Ontario-Manitoba border impacts the promotion of tourism activities for an entire region; all of northwestern Ontario is impacted by that, as well as Algoma, as well as Sault Ste. Marie and points east. That's where the folks who are coming in spontaneously have stopped in the past to pick up copies of Sunset Country's material, NOSTA's material, Algoma Country's material and the rest of Ontario's. I think it's a real shame, when we look at the question of one-size-fits-all, and the impacts of that.

The cost of doing business in rural and northern areas is different than in an urban setting. Not every community has a major contractor. They're relying on Thunder Bay or Dryden or Winnipeg or a lot of times even Toronto. That adds cost to the process.

MPAC: You've got to fix MPAC. It is broken, whether it's Dryden or any number of other communities, including Thunder Bay, that are being whacked by decisions of MPAC. In the city of Thunder Bay, \$7 million retro is what we will have to pay if we lose this round. That's only the first round. You can say that maybe Thunder Bay can afford it. The city of Dryden can't afford it. It has put them close to the edge, and they're doing drastic cuts to their services. MPAC needs to be fixed to make sure it is properly responsive to the needs of the communities.

Infrastructure programs must be flexible to the needs of municipalities with limited staff and financial resources.

As you think about your report to the Legislature on the budget, please keep in mind that one size does not fit all. In the northwest, even within the northwest, there are different needs that need to be taken into consideration.

Ladies and gentlemen, Mr. Chairman, that's the presentation. I'd be happy to respond to any questions that you may have.

**The Chair (Mr. Kevin Daniel Flynn):** Great. Thank you, Iain. I'm sure there are some. Bill, you've got between two and three minutes.

**Mr. Bill Mauro:** Okay, thank you, Mr. Chair. Iain, thanks for the presentation. Just quickly on MPAC, before I get into my question: The \$7-million Thunder Bay number is an accumulated number. It's not an annual hit.

**Mr. Iain Angus:** No, that's the retroactive payment.

**Mr. Bill Mauro:** Yes, an accumulation number over how many years? It's not an annual number.

**Mr. Iain Angus:** That's over four years.

**Mr. Bill Mauro:** So it's about a million and a half or a million and three quarters a year, should your appeal process not work.

**Mr. Iain Angus:** Yes.

**Mr. Bill Mauro:** Okay. So for Thunder Bay, it's \$1.5 million, give or take.

**Mr. Iain Angus:** Yes.

**Mr. Bill Mauro:** Thank you. I've met with Dave, just for your information, on the issue and the approach that MPAC is taking to the retro, and I know that Ms. Campbell is likely interested in this. It sounds like they have something in place that maybe they're going to be satisfied with. In any event, that's still to be worked out.

**Mr. Iain Angus:** We'll talk offline, because there's a whole bunch of new stuff—

**Mr. Bill Mauro:** Happy to; happy to.

You talked at the beginning about the forestry supports piece. From your perspective, representing NOMA, if you could just maybe give me a couple of concrete examples of what you think could help. You referenced a situation in Kenora. You said "a wood supply," and then you said "an approach that's being taken." I don't know about this example and I'm interested in your answer, if you could tell me concretely what you would think we could do that we're not doing.

**Mr. Iain Angus:** I'm probably not going to be able to do justice to your question, Bill. Dave Canfield is much more conversant with this one, but my understanding is that when these two companies applied for fibre, they were turned down because they didn't have the right players in part of the application. They were unable to get the supply even though everything else was ready to go.

**Mr. Bill Mauro:** So it's part of the new 10-year—

**Mr. Iain Angus:** Yes.

**Mr. Bill Mauro:** Okay. Remembering that, of course, the new 10-year approach is one that was asked for by local municipalities and mayors.

**Mr. Iain Angus:** Yes.

**Mr. Bill Mauro:** Okay, fair enough.

**Mr. Iain Angus:** Sometimes we have to be careful what we ask for.

**Mr. Bill Mauro:** And there are no programs that are perfect. It's not meant to be a shot; it's interesting to know. I hadn't heard about it.

Finally—we don't have a lot of time—the annual allowable cut: It started about eight months or a year and a half ago, when I first started hearing people talk about the 26-million-cubic-metre number. Even at the peak of forestry, when we were really smoking and we had all the mills running before the forestry crisis hit in 2004, 2005,

2006, I don't think it was that high. I thought we were in the 22 range, or 23.

**Mr. Iain Angus:** That's right.

**Mr. Bill Mauro:** Okay. Was that just because that number met the requirement, or the regenerative cut still could have been higher, or this is a new ask to let's do more?

**Mr. Iain Angus:** No—

**The Chair (Mr. Kevin Daniel Flynn):** Let it be a short answer, Iain.

**Mr. Iain Angus:** Okay. It has been longer than two or three years because when I was chair of the Ontario Forestry Coalition, we came up with the figure. That was what the government said was the sustainable allowable cut—

**Mr. Bill Mauro:** Twenty-six.

**Mr. Iain Angus:** Twenty-six. It was never achieved; the industry wasn't able to—

**Mr. Bill Mauro:** The demand wasn't there.

**Mr. Iain Angus:** The demand wasn't there, but we still think that 26 is the magic number.

**Mr. Bill Mauro:** Okay. Good enough.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Iain. Thank you coming on behalf of NOMA today. It was appreciated.

**Mr. Iain Angus:** Thank you, Mr. Chairman. Thank you to the committee.

#### AV TERRACE BAY INC.

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation this morning is from AV Terrace Bay. Richard, if you'd like to come forward and make yourself comfortable. Welcome, Richard. Every delegation is taking 15 minutes for their presentation. If there's any time left over, the questions will come from the Conservative Party this time. The floor is yours.

**Mr. Giovanni Iadeluca:** Great. My name is Giovanni Iadeluca. I'm the chief executive officer of AV Terrace Bay. Richard is lucky enough to be on vacation in a much warmer place than we are today.

Thank you, Mr. Chairman and members of the standing committee, for the opportunity this morning to speak to you about a situation that is developing across northern Ontario.

1120

My intention is to propose an investment opportunity in the roads infrastructure of forestry in northwestern Ontario that will facilitate fibre supply, as well as tourism and community access. Paper copies outlining the details of this proposal have been provided. My intention this morning is to review the highlights of the presentation.

The situation is that there's significant improvement starting to be seen in the economies of many northwestern Ontario communities due to investment by mill owners who have recently purchased and restarted forest product companies that had been bankrupt. However, a number of areas in northwestern Ontario are disadvan-

taged in that there is not adequate forest road infrastructure in place to fully capitalize on the natural resource opportunities. This lack of infrastructure will impair the rate of improvement experienced by local economies, as well as be prohibitive to some of the further communities in being able to gain earnings from harvesting.

There's an opportunity for Ontario to demonstrate support and help stimulate this economic revival in the depressed areas through the creation of a bridging fund to help support the construction and maintenance of forest road infrastructures in these depressed areas.

Just as a matter of grounding the enormity of the task, in some of the forests that new companies have purchased, the previous mills—there's over 3,500 kilometres of road infrastructure that need to be maintained at a total cost of about \$7.5 million in these forests, and 60% of it remains unfunded. The data clearly shows that the new forest product facility owners are creating wealth and employment in otherwise economically depressed areas. In the document that I have submitted, I've provided examples of the economic benefits that are being realized by Ontario through the restarting of pulp mills in Terrace Bay and in White River, to cite two examples.

We are now just seeing a turnaround in the economies of the communities of central northern Ontario. It is most important to the local economies, the province and the mill owners that the right and fair economic conditions for success are present.

The efforts and investments of these new facility owners have already resulted in tens of millions of dollars being realized by the province annually through the payment of crown charges on taxes and payrolls.

Some of the highlights, in addition: There is \$40 million of salaries that are being directly paid by these companies and these forests, and over \$70 million of indirect salaries through harvesters, aboriginal and non-aboriginal. Annual crown fees paid so far for the harvesting on these forests is \$17 million annually. These new facilities provide municipal taxes of \$2.5 million that had gone sorely missing in the past number of years.

The Ontario government has long recognized that the province should pay a proportionate share of the cost of building and maintaining road infrastructures in forest areas because this infrastructure benefits the northern economy, the First Nations, tourists, the public in general and the communities. The road infrastructure also becomes a significant asset to the province of Ontario.

The province has an opportunity to show leadership and commitment to northern resource-based communities by continuing their support for maintaining and developing the forest road infrastructure that provides access to a resource for a variety of users. What needs to happen now is that those areas that have suffered most through the economic downturn should not continue to suffer because forest road infrastructure is lacking for them.

A fair and equitable system already is in place and has been created where the province provides their share to construct and maintain forest access in areas where active

logging has occurred recently. This system is based on a harvest history of the forest over the past five years. Unfortunately, new forest product facility owners are unable to fully participate in the existing program, as they have not created this five-year harvest history on the local forest they are now harvesting. Therefore, in order to gain access to the required wood supply, these new mill owners must pay for the full cost of building and maintaining road infrastructure, which is also used by other community members, First Nations, aborigines and tourists.

Wood from areas where there has been a recent history, an active history of harvesting, is cheaper because the forest road infrastructure already exists. As a result, the areas that have suffered most due to the economic downturn and bankruptcies of companies in the past continue to be disadvantaged because these are the forests with the most expensive wood.

The benefits and strengths of the current provincial Road Funding Program are well recognized across the north. Any new initiative must not compromise the effectiveness of this existing program. As such, any funding should not draw funds from the existing provincial Road Funding Program but be new funding by the province.

The proposed initiative would be viewed very positively in the north as an economic bridge while new forest product facility owners create and improve the manufactured infrastructure badly needed in these economically depressed areas. The program that I am proposing would demonstrate very positive results within five years.

The mill owners have recognized their economic and social obligation to the areas by ensuring that local aboriginal and non-aboriginal communities are benefiting from this new economic activity. Any new program would provide increased benefits to these communities. From an economic perspective, it would be much better if the mill owners were able to spend the money now required for forest road infrastructure that has been created by past bankrupt companies on capital improvements and mill efficiencies, thus creating new jobs and enhancing the long-term futures of those mills.

The proposal is that the province is requested to create a new, one-time funding program in the amount of \$12 million, distinct from the existing provincial Road Funding Program. This initiative would support the economic revival that has begun in the disadvantaged areas of northwestern Ontario by paying the province's share of forest and road construction to access resource development opportunities in the areas that are most depressed. The proposal should be viewed as an economic development tool, where the province is investing to create and maintain infrastructure in the forests of northern Ontario, create assets for the province and support the rejuvenation of the resources-based northern Ontario economy.

Thank you for your time.

**The Chair (Mr. Kevin Daniel Flynn):** Very good. Thank you very much, Giovanni. You've left about five minutes. Vic?

**Mr. Victor Fedeli:** Welcome, Giovanni. Thank you very much for a very detailed presentation and thank you very much for the reinvestment in northern Ontario. It's deeply appreciated, I think, by all of the people throughout the north.

**Mr. Giovanni Iadeluca:** So we hear.

**Mr. Victor Fedeli:** Yes, and you should be hearing that. I'm glad to see this.

In your proposal, you spoke—now, I know we're in Thunder Bay, but you spoke a lot about northwestern Ontario. Is this \$12-million plan specifically in your proposal for northwestern Ontario?

**Mr. Giovanni Iadeluca:** Those are the mills that we're aware of that don't have the last-five-years history of harvesting. When we spoke to the MNR and reviewed the availability in terms of forestry, there were seven or eight forests where there hasn't been a five-year built history. So the funding is now being built on the past year average rather than a five-year average. There may be more outside of northwestern Ontario. For obvious reasons, we're interested in northwestern Ontario.

**Mr. Victor Fedeli:** So my question, basically—you've led me into my question. Would there be the same requirement in northeastern Ontario, the Mattawas of the world, the areas closer to Timmins, as well? Would that have happened as well?

1130

**Mr. Giovanni Iadeluca:** If there's a new mill that is being opened or a mill that is being reopened, where there is not a five-year history—because there may be a mill that may have been shut down a year ago; so the average is still there. If there are mills where there is not a five-year history, the situation would be the same. We're not aware of any.

**Mr. Victor Fedeli:** How many mills did you say are in northwestern Ontario that have been shut down for more than five years?

**Mr. Giovanni Iadeluca:** In all, there are five, and two have reopened.

**Mr. Victor Fedeli:** Where are those two?

**Mr. Giovanni Iadeluca:** White River and Terrace Bay.

**Mr. Victor Fedeli:** Where's yours?

**Mr. Giovanni Iadeluca:** Terrace Bay.

**Mr. Victor Fedeli:** Obviously, it has been shut down for more than five years, then.

**Mr. Giovanni Iadeluca:** Yes. It had minimal harvesting in the year—four or five ago—and no harvesting in the last few years.

**Mr. Victor Fedeli:** Do you know the total stumpage fee in Ontario that's collected?

**Mr. Giovanni Iadeluca:** I do not.

**Mr. Victor Fedeli:** Okay. Thank you very much.

**The Chair (Mr. Kevin Daniel Flynn):** Doug, you've got about two minutes.

**Mr. Douglas C. Holyday:** I just had one question about the harvesting. When you do that, do you replant new trees?

**Mr. Giovanni Iadeluca:** Yes. Part of the stumpage fees is reforestation.

**Mr. Douglas C. Holyday:** Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you for coming, Giovanni. It was appreciated.

**Mr. Giovanni Iadeluca:** Thank you.

### THUNDER BAY HEALTH COALITION

**The Chair (Mr. Kevin Daniel Flynn):** Our next presentation this morning is from the Thunder Bay Health Coalition. Suzanne and Jules, please come forward and make yourselves comfortable. We have your presentation before us. Thank you very much for coming today. Like everybody else, you have 15 minutes. Use that any way you see fit. Any time for questions will come from the NDP this time.

**Mr. Jules Tupker:** Thank you. Good morning, everybody. Welcome to a normal day in Thunder Bay. Right, Bill?

**Mr. Bill Mauro:** I hope not.

**Mr. Victor Fedeli:** I just want to warn you, it's 34 below, where we're headed next.

**The Chair (Mr. Kevin Daniel Flynn):** Somebody told me this was summer.

**Mr. Jules Tupker:** My name is Jules Tupker, and with me today is Suzanne Pulice. We are the co-chairs of the Thunder Bay Health Coalition. The Thunder Bay Health Coalition is a public advocacy non-partisan organization made up of community groups, individuals and unions who are committed to maintaining and enhancing our publicly funded, publicly administered health care system. We work to honour and strengthen the principles of the Canada Health Act and medicare. The Thunder Bay Health Coalition is affiliated with the Ontario Health Coalition.

We'd like to begin our presentation by providing some figures on health care spending in this province. We believe that the members of this panel are aware of these statistics, but we feel that reminding you of them will be helpful because these statistics show that health care funding in Ontario lags behind most provinces in Canada.

We've included, in the back—the last three pages—the documents that were probably presented to you by the Ontario Health Coalition at an earlier presentation. Again, it's important stuff that we feel you should know, and, of course, the media is here, so we thought we'd also throw it in there.

Ontario ranks eighth out of 10 provinces in health care spending per person. Hospital spending per person in Ontario is last in the country.

Ontario's spending on health care in comparison to spending on all provincially funded programs is shrinking, not growing. Some people think that we're spending more money as a percentage of GDP; we are not.

Tax cuts since 1995 have removed roughly \$15 billion annually from Ontario's revenue stream.

Ontario has the lowest number of hospital beds per capita of any province in Canada and the highest level of hospital occupancy.

Again, as we said, we've got the charts in the back.

We believe that the figures we have shown here have resulted in a health care system in Ontario that is not functioning as it should, and we provide the following comments to show how health care in northwestern Ontario has suffered.

We thought we'd give you some more statistics on the North West LHIN and the difficulties that we face here in northwestern Ontario. Our LHIN:

- covers 47% of the land mass of Ontario, so it's a huge part of the province;
- has the lowest population;
- has the highest unemployment rate in Ontario; and
- has the highest percentage of aboriginal people.

Compared to the rest of the province, the North West LHIN has:

- a higher rate of non-urgent emergency department visits;
- a higher rate of chronic diseases, including diabetes, high blood pressure and arthritis/rheumatism;
- a higher percentage of mental health visits to emergency departments;
- a higher percentage of deaths;
- a high rate of suicide;
- a higher proportion of residents who smoke;
- a higher proportion of heavy drinkers;
- a higher percentage of residents who are overweight;
- a lower percentage of residents having contact with a medical doctor; and
- a lower life expectancy for men and women.

So you can see that we have some major problems in northwestern Ontario that aren't encountered in other parts of the province.

Some of the causes of these statistics include a lower socio-economic situation, poor lifestyle behaviours, poor health status and an aging population with an ever-increasing need for health care services.

In addition to the above noted problems, we have a shortage of skilled caregivers, a declining population, causing further diseconomies of scale and a declining local economy.

The above-noted figures have, for a number of years, resulted in many problems of the acute care health system in the Thunder Bay Regional Health Sciences Centre and lately in our long-term-care and home-care system.

**Ms. Suzanne Pulice:** The Thunder Bay Regional Health Sciences Centre here in Thunder Bay was built to serve as a hub for all of northwestern Ontario. Because it is the hub, it has, since its opening, experienced over-crowding of its emergency department, resulting in an almost continuous gridlock situation.

The reason for this situation is that there is a constant backlog of patients waiting in the hospital for alternative-level-of-care beds. Patients are in beds in corridors, alcoves and examining rooms. The hospital has gone so

far as to renovate lounges that were designed to provide a peaceful retreat for patients into patient rooms.

This overcrowding in the emergency department has resulted in an unsafe condition in regard to fire safety and has caused stress on the staff in that department. The overcrowding also resulted in very long waits and turnaround times for ambulances, as they had to wait to off-load patients because there were no beds available in the emergency department. We understand that this situation has been somewhat alleviated.

In reviewing the financial situation at Thunder Bay Regional, we have learned that the hospital was underfunded last year to the tune of approximately \$10 million. The province's policy of a 0% increase in funding has resulted in the hospital receiving \$5 million for the 2013-14 fiscal year, leaving a shortfall of \$5 million. Part of this shortfall was overcome by internal processes, such as fundraising and special grants. However, these did not eliminate a major portion of the shortfall.

Every year the hospital has capital costs to replace equipment and for building maintenance, and these costs amount to approximately \$5 million. Add to this the cost of maintaining long-term-care beds, which totals close to \$4 million, and a probable increase in staffing costs, negotiated wage increases in 2015, and the outlook for 2014-15 is not good. The hospital, in its November financial report, reported a deficit of \$1.4 million, and the December deficit will be \$2.4 million.

In addition to the problems we have raised above, the Ontario Health Coalition has raised a concern in regard to the government's plan to bring in new regulations that would see the expansion of private clinics called independent health facilities. The plan is to have these private clinics take over services that are currently provided in our community hospitals.

These changes will lead to the expansion of private clinics, to the detriment of public hospitals. Local hospital budgets would be cut because of services no longer being provided by the hospital. Funding cuts will lead to reductions in staffing. Private clinics are known to charge user fees, which would cause a problem for a large number of citizens struggling to make ends meet now. The equity and universality of health care provided for in the Canada Health Act would certainly be compromised by the introduction of more and larger independent health facilities.

In the 2012 budget, the government announced a plan to introduce user fees for seniors' drugs for the wealthiest 5% of Ontario's seniors. The 2013 budget will expand to capture higher-income seniors. These moves hardly reflect the meaning of universal health care that the Canada Health Act envisions.

**A recommendation for acute care:** The government should increase funding to hospitals to a level at least equal to the average funding provided to hospitals in other provinces. The government should place a moratorium on cuts to hospital services, the expansion of private clinics and expanded user fees for seniors' drugs.

**Long-term care:** Over the past year and a half, despite the severe overcrowding that was and is still being experienced at Thunder Bay Regional, the closure of the Thunder Bay Interim Long Term Care Centre and the closure of psycho-geriatric beds at the Lakehead Psychiatric Hospital were carried out. Unacceptably long wait times for long-term care in Thunder Bay have been the longest in the province, at times reaching close to 200 days, and the closures at Thunder Bay Interim and the LPH exacerbated the situation.

A new, massive long-term-care home supportive housing structure was to have been completed by 2013. However, this building, called the Centre of Excellence for Integrated Seniors' Services, will not be ready for another year at least and will provide few, if any, increases in the number of long-term beds available in Thunder Bay.

The closure of Thunder Bay Interim was, we feel, precipitated by the need for the government to reduce costs. This closure has resulted in the unnecessary disruption of vulnerable seniors' lives. The closure of Thunder Bay Interim saved the provincial government just under \$3.6 million.

The North West LHIN, in its November 26, 2012, backgrounder document, Keeping People Healthier at Home in the North West LHIN, reported receiving \$3.66 million in increased funding from the provincial government. We believe that this funding was not increased funding but merely a movement of funds from the long-term-care sector to the home care sector.

The Ontario Health Coalition has statistics that show that approximately 20,000 Ontarians are on waiting lists for placement into long-term-care facilities, and there are no plans by this government to increase the number of long-term-care beds available in the province. This is not a reasonable position for the government, particularly in the northwest, because of the higher number of seniors in this part of the province.

1140

The closure of mental health beds at the LPH will result in the downloading of patients who need higher levels of care into long-term-care facilities. Combining the increased care that psychiatric patients require with the increasing care required to look after long-term-care patients, who are entering the system at an older age and with more acute care needs, leads us to believe that funding should be provided to increase a minimum level of hands-on care to four hours per resident per day.

Our recommendation for long-term care is to increase the number of long-term-care beds available in the province and, in particular, in the North West LHIN, and increase funding to long-term care to ensure a minimum standard of four hours per resident per day of hands-on care.

**Mr. Jules Tupker:** For home care, the idea of having people stay in their home rather than moving into long-term care is a wonderful idea that we don't believe anyone can find fault with. However, implementing such a program will cost money. The government's 4% increase

in funding to the home care program will not come close to meeting the requirements necessary to provide the services needed.

The current state of home care leaves us with a number of concerns. Our coalition has been told that hundreds of visits to home care clients are missed daily in the northwest. These missed visits leave clients in precarious and possibly life-threatening situations because of drugs not being taken and meals not being eaten. The lack of regulations for home care workers has resulted in a workforce that may not provide the safest environment for clients. An enhanced home care program will need a massive injection of money to provide equipment and supplies sufficient to provide the services that people need to stay in their home. Funding to homeowners to renovate or adapt their homes to enable them to stay at home will also be needed. A compensating package for home care staff to provide pay scales equitable to long-term-care workers in order to keep home care workers must also be looked at and will cost more money.

Our recommendation for home care: The province needs to review its home care policy with a view to creating a system equitable to long-term care in services, wages and funding. Funding for home care should not be taken away from hospital budgets.

Mental health and addiction services in the northwest are grossly underfunded. When is the last time you have heard of dedicated money being allocated to adult mental health and addiction services in our region? Some money is being given to children's mental health, and deservedly so, but money for desperately needed services is slow to arrive.

There have been reports in the media about the new community homes and the new responsive behaviour units opening, but what is not well reported is the number of beds that were closed and lost to achieve these so-called gains. In Thunder Bay and surrounding areas, mental health service providers are currently operating on a restructuring plan that was set forth in 1996 by the mental health restructuring commission. Because of that restructuring plan, our region has lost numerous specialized in-patient units, including dual diagnosis beds, dementia care beds and crisis beds.

With the lack of funding and the backlog of mental health services, people in need are being told, "You're not quite sick enough. Here is the number of the crisis hotline. Go home." If a patient does meet the threshold of being sick enough, then she/he will be placed in an emergency room hallway and may wait for days hoping that a bed will become available. The lack of funding in our region has led to a gridlock situation in mental health similar to the dilemma our hospital finds itself in on a regular basis. It appears to workers in the mental health field that what underfunded money is coming to the region is not being directed to the appropriate areas to provide the best services.

Our recommendation for mental health is to increase funding for all mental health programs and confirm that

the funds are put to the best use possible to ensure proper treatment and care is provided for all citizens.

**Ms. Suzanne Pulice:** Our conclusions and recommendations:

(1) Health care spending in Ontario is and has been shrinking as a percentage of the Ontario budget over the past few years, according to the Ministry of Finance budget reviews. This decrease in health care funding has to stop and has to be reversed in the upcoming budget.

(2) The Ontario Health Coalition reported that since 1995, the province of Ontario has led the country in corporate and personal income tax cuts that have benefited primarily the wealthiest individuals and corporations. Ontario ranks among the lowest corporate tax jurisdictions in North America and continues to propose corporate tax cuts even though those corporations have failed to invest the tax savings back into Ontario. According to economist Hugh Mackenzie, \$15 billion is being lost in corporate taxes each year. Tax loopholes for corporations should be closed and taxes to corporations should be increased to provide revenue for public services like health care.

(3) Poverty in Ontario is growing, particularly among children. Childhood poverty tends to lead to poorer health in adulthood. There is a myriad of information available explaining the link between poverty and poor health. To keep health care costs down, the government must make eliminating poverty a key objective. Reducing poverty rates will reduce health care costs in the future. The province must provide adequate funding for inclusive community supports for people struggling with poverty, such as mental and physical health care and social housing. Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Suzanne. Thank you, Jules. There's probably time for one quick question and answer. Sarah?

**Ms. Sarah Campbell:** Thank you. First of all, I want to thank you very much for your comprehensive presentation. I can say that I am hearing a lot of what you have raised here in my constituency offices in the riding of Kenora-Rainy River. I know we're outside of Thunder Bay, but we're hearing all these things with access to the emergency room and all the waits, as well as mental health and a number of other things.

I have some questions about home care. As I'm sure you're aware, one of the things that we were able to negotiate in the 2013 budget is an increase in the amount of spending in the area of home care. We had asked for about \$30 million to clear up the wait-list, and to provide a five-day home care guarantee. The Liberals weren't able or prepared to go that far, but they did commit to \$260 million, I believe. I'm wondering if you are seeing any of that money in the community. Or is that what you were alluding to when you mentioned that there was \$3.66 million in increased funding from the provincial government, but you think that was money that was transferred from the long-term-care sector to the home care sector?

**The Chair (Mr. Kevin Daniel Flynn):** It will be a really short answer, guys.

**Mr. Jules Tupker:** No, we haven't seen an improvement in home care. It is a huge problem and, again, it's something that we should follow up on, because it's an important area that we think health care should be going. But, again, it's going to cost a lot of money.

The concern that we also have is that definitely with the closure of TBI, we feel that that closure freed up \$3.6 million and that all of a sudden they had \$3.6 million. So that was not an increased gain, and that's a real concern.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much for coming today. It was appreciated.

**Mr. Jules Tupker:** Thank you.

#### WESWAY

**The Chair (Mr. Kevin Daniel Flynn):** Our final presentation of the morning is from Wesway. Is Carol with us? Have a seat, Carol. Make yourself comfortable.

**Ms. Carol Neff:** Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** You're our final presenter before we go to North Bay. So you get 15 minutes, like everybody else. Use that any way you see fit. If there's any time left over, it will go to the government side this time.

**Ms. Carol Neff:** I can see that I'm the person who's standing between you folks and lunch.

**The Chair (Mr. Kevin Daniel Flynn):** I didn't want to say that because I know that's a lot of pressure.

**Ms. Carol Neff:** That's quite all right. So thank you very much for this opportunity, and welcome to the great white north. I'm going to stick to the text in front of you because I want to make sure I cover all of the points and allow some time for questions.

Wesway is part of the Ontario Community Support Association, a network of agencies providing home and community support services to over one million Ontarians per year. We are conscious of the government's health care objectives to deliver high-quality health care services and to help prevent people from getting sick or requiring more acute care. These are also the objectives of the home and community sector.

Wesway is a local non-profit organization which provides a flexible range of community-based respite care services for families who care for a family member with a disability or chronic health condition at home. We serve families in the city of Thunder Bay and in communities across northwestern Ontario, from the Manitoba border in the west to Manitouwadge in the east.

The ongoing responsibilities of caring for a family member at home can cause changes in the health status of family caregivers. They frequently report high stress levels, exhaustion, depression, interpersonal conflict, loss of sleep and social isolation. These family caregivers need to take a break from time to time. Many of them are elderly and are experiencing their own health challenges. Respite is a crucial support for families, and enables them to continue their role as caregivers. Our health care

system and developmental services system would collapse if these family caregivers didn't make that sacrifice.

Wesway understands the difficult economic climate. We also appreciate the resulting impact on the provincial budget and the unique challenges the government now faces. And, as a not-for-profit charitable organization, we certainly understand restraint.

However, we also see community need and public policy opportunity. All of us are familiar with the dual challenges posed by demographic shifts and health trends, namely an aging population and a growing prevalence of chronic conditions and various disabilities.

We welcomed the Ontario government's funding increases to the home and community support sector in last year's budget. We strongly encourage the government to continue with these strategic investments. Such investments help to reduce hospital admissions or readmissions.

1150

Here is an example of a success story that we've experienced first-hand: Under the Aging at Home Strategy, Wesway was able to launch pilot projects to provide respite services for seniors living in communities throughout the districts of Thunder Bay, Kenora and Rainy River. We tested innovative service-delivery concepts, building on the unique strengths and needs of each family in their home community. Our intent is to avert caregiver exhaustion and prevent burnout, which will ultimately help reduce unnecessary visits to the emergency department and reduce ALC pressures in hospitals. Our results have been incredibly positive, and I'm happy to say that these services are now ongoing.

Here are the words from one family caregiver: "I was caring for my husband 24 hours a day, and I wasn't getting any sleep. I was absolutely exhausted. I was at the end of my rope, but with Wesway's help I was able to get someone to stay with him at night. It was such a blessing. I was able to look after him during the day, because I was getting adequate sleep at night. I'm so glad I was able to keep him at home during his final days. It's where he wanted to be."

Wesway applauds initiatives which give rise to success stories like this. However, we don't succeed by standing still, and there's much more to be done. Please, enhance the results that community supports can deliver by making strategic investments in the following areas.

The first area I wanted to point out was the recommendations contained in Living Longer, Living Well. Dr. Samir Sinha's report is exhaustive in its analysis of seniors' care, and provides key recommendations to inform Ontario's Seniors Strategy. This report is a persuasive argument in favour of transforming our health care system into one that focuses on community care and the crucial role played by family caregivers. Many of the issues covered in the report are complex and require careful implementation.

More services in the home and community for seniors and people with disabilities are a compassionate, practical, cost-effective solution to our health care challenges.

Investments in the community free up hospital beds and unclog emergency waiting rooms. They shorten wait-lists for long-term care and decrease long-stay hospitalizations. They reduce the demand for chronic care beds. Costs are lower when care is provided in the community.

The second point is people with Alzheimer disease and related dementias. The Behavioural Supports Ontario strategy clearly enhanced certain targeted services for individuals with Alzheimer disease and related dementias, especially in the area of training. However, there is a lengthy waiting list for respite services for this growing population. Often individuals die or are placed in long-term-care homes before we are able to provide respite. In general, families are reluctant to ask for help. By the time they actually make a referral to an organization like ours, they are often desperate. It's simply wrong to place them on a waiting list for a service like respite when the purpose of such a service is to prevent caregiver burnout. Respite services should be available to families when they need them.

Adults with physical disabilities: The successes of the Aging at Home Strategy for us in our area were designed to enhance care for seniors and the investments made in our area, and they were very productive. However, that strategy clearly did not address the needs of adults under the age of 65 who have physical disabilities, chronic illnesses or acquired brain injuries. The waiting lists in this area are extremely long, and the need is urgent.

Adults with developmental disabilities: Again, we applaud the efforts being made to transform the developmental services system and the new investments that were made in 2013. We must still highlight the fact that the situation continues to be very grave for family caregivers who are caring for adult children with a developmental disability. When children reach the age of 18, there's a terrible bottleneck in the adult service system. The waiting lists are staggering. Some parents are forced to give up their jobs in order to care for their adult children at home, and as parents age and encounter health difficulties of their own, they need even more support to continue this vital life journey. Respite care services have a critical role to play in sustaining the strength of these families.

My last point is infrastructure funding: Despite increases in the last two Ontario budgets, agencies are still behind on maintaining the necessary infrastructure, because budgets were previously frozen for several years. Agencies like ours are struggling to pay current costs for infrastructure integral to the sector with 2007 dollars—and I'm referring to things like wages, rent, electricity, gasoline, supplies and those kinds of things. The inflation rate, not compounded, has increased 11% over this time, representing a serious shortfall in necessary revenue.

An ongoing concern is the shortage of home and community health workers. One of the reasons for the difficulty in recruiting and retaining workers is the disparity in compensation and working conditions between the community health sector and the institutional health sector. In the absence of base funding increases, it's vir-

tually impossible to manage wage increases for workers without threatening client service volumes and the people we serve. To meet current and future demand for home and community support services, we must ensure there is sufficient funding flexibility available to attract and retain qualified workers.

Public investments in home and community care make strong social and economic sense. Ontarians want to remain in their own homes and in their communities for as long as possible, close to family, friends and familiar surroundings. We encourage government and policy-makers to think strategically. Investing in home and community support services now will save government funding in the long term and help ensure the future sustainability of our health care system.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Carol, for the presentation. Thank you for what you do.

We have questions from Donna first—about five minutes.

**Mrs. Donna H. Cansfield:** I'd like to echo what Kevin has said. First of all, a very special thank you for what you do every day making a difference in the lives of a lot of people who need your support across Ontario, in the northwest—actually in the northeast, as well. It's amazing.

Are you funded through the local integrated health network and the CCACs, or is it a combination of private funding? Where do you get your funding from?

**Ms. Carol Neff:** For all of our health-related services, which cover adults with physical disabilities and seniors, we're covered through the North West LHIN. For the children we serve, it's through the Ministry of Children and Youth Services. For the adults with developmental disabilities, it's the Ministry of Community and Social Services.

**Mrs. Donna H. Cansfield:** So it's a combination of different—

**Ms. Carol Neff:** It's basically two large systems, yes.

**Mrs. Donna H. Cansfield:** In the work that you were doing—again, I applaud the work—helping folks in the home, was most of it to do with acute-care-bed release for seniors, or was it just straight respite or a combination of both?

**Ms. Carol Neff:** The work we do is respite, and what we offer is a flexible range. We feel that family caregivers are the experts in the care of their family member and it's not up to us to prescribe respite. It's up to them to identify their need and for us to be creative enough to make things work for them in their own particular situation. We have volunteers, we have paid staff, we have respite home services where people can come and stay with us. We've got quite an array of services in order to be flexible.

**Mrs. Donna H. Cansfield:** I know that Bill and I share the same concern around the demographics and the aging population and the issue of isolation in the north as a whole. It's very difficult just by virtue of expanse. For me, it's a standard of care. That's one of the things that I would like to see, because I do not believe there is a def-

inition of standard of care amongst the LHINs or the CCACs in terms of—even if it was just a minimum base and then you can grow from that, but there has to be a standard of care provision, especially in the aging demographics as we reach out to 2020.

I'll look at Alzheimer's on its own. Someone asked earlier about volunteers. I think families, primarily between the age of 45 and 65—it's 82,000 hours that they provide in care; that's something the health care system does not. But as they age and the demographics increase, you cannot continue to rely on that. You have to have the support mechanisms put in place.

I would be really interested in having a conversation, maybe not here but in the future, maybe through Bill, on that projection of your demographics and how you see and where you see those challenges so that once they're identified they can be addressed.

**Ms. Carol Neff:** Your point about people are aging and the family caregivers are aging—what we're seeing is that lots of times people are using their hours of respite to take care of their own health needs. They're getting respite to care for their family member while they go to their own therapy, or they sometimes have to have some surgery and they need someone to care for their family member. But they're very committed to keeping their family member at home, which is where they want to be. So respite isn't always about taking a vacation or doing something fun. Sometimes what we're doing is really keeping two people out of the health care system—both the caregiver as well as the care recipient.

**Mrs. Donna H. Cansfield:** I think that's one statistic that we have not collected, and that's the impact on the individuals providing respite on their own health, and then that impact on the health care system, that intervention.

Anecdotally, in my own family, the individual caring for someone with Alzheimer's ended up with a heart attack, anxiety and diabetes. Those things cost the health care system on an ongoing basis, so it really would be interesting to look at the provision of service to eliminate that cost as well as to provide respite for the individuals.

**Ms. Carol Neff:** I think the key is to get upstream. We keep flying by the seat of our pants and making investments downstream. We have to be more preventive in

our thinking, and that's why a waiting list for respite really makes no sense whatsoever, because it is an upstream kind of support.

**Mrs. Donna H. Cansfield:** I think that was identified, actually, by one of my colleagues. Early intervention, changing our model from a medical model to a prevention model and changing the thinking between these six inches so that we can, in fact make a difference if we get in early. Yes, there's a little bit of an upfront cost to that, but with good training and intervention, we can prevent those heavy-duty costs at the end. Again, I would welcome your thoughts on that.

**Ms. Carol Neff:** Yes. I guess I want to hearken back to what you were saying about quality, too. We've recently been able to provide some additional respite home service, thanks to an investment that is going to help to alleviate some of the pressures on the system, redirecting respite beds from a long-term-care facility and providing that support in the community.

I can tell you a little anecdote if I've got a few moments to do that. One of the people we were caring for was an elderly lady, about 96 years old or so, and this was a lady who for all her life had been making perogies and selling perogies. What we were able to do at our respite home, because we serve very few people at a time—it's a small group and it's very personalized—is have the staff work with this lady to make perogies.

**Mrs. Donna H. Cansfield:** Oh, wonderful.

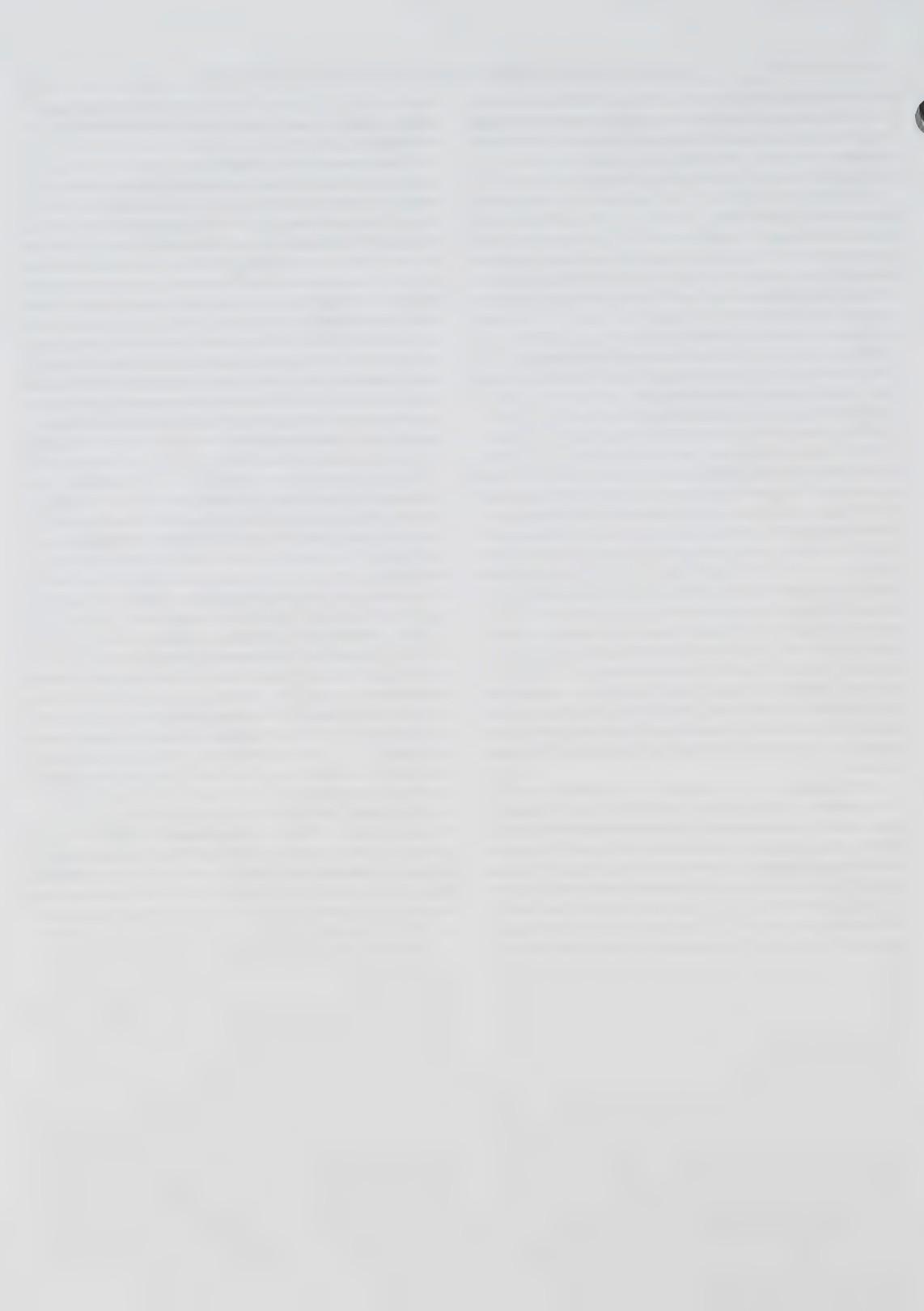
**Ms. Carol Neff:** She was absolutely thrilled. She wasn't able to physically do it, but she was giving direction to the staff, and we had perogies in our freezer at our respite home for the other participants.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you for coming, Carol. That's a great way to end—on perogies—because it's lunchtime. So thank you very much for coming. It's appreciated.

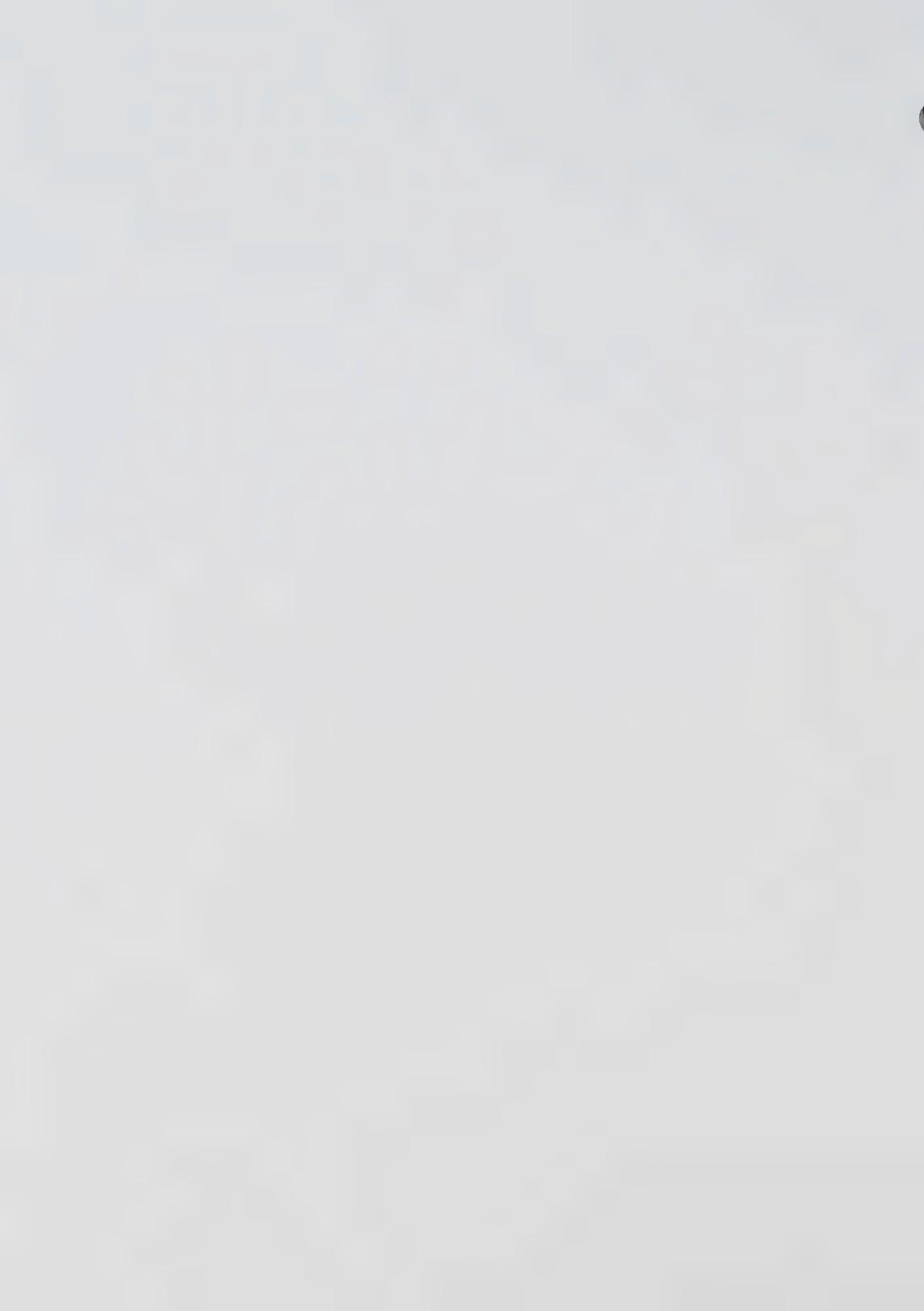
**Ms. Carol Neff:** Thanks.

**The Chair (Mr. Kevin Daniel Flynn):** Those members who have not checked out of their rooms obviously should. Lunch will be served in the Icelandic Room before the flight to North Bay. All members are expected to be in the lobby at 1:15 for their cabs to the airport. We're adjourned to North Bay.

*The committee adjourned at 1202.*







## **STANDING COMMITTEE ON FINANCE AND ECONOMIC AFFAIRS**

### **Chair / Président**

Mr. Kevin Daniel Flynn (Oakville L)

### **Vice-Chair / Vice-Présidente**

Ms. Soo Wong (Scarborough–Agincourt L)

Mr. Steven Del Duca (Vaughan L)

Mr. Victor Fedeli (Nipissing PC)

Ms. Catherine Fife (Kitchener–Waterloo ND)

Mr. Kevin Daniel Flynn (Oakville L)

Mr. Douglas C. Holyday (Etobicoke–Lakeshore PC)

Ms. Mitzie Hunter (Scarborough–Guildwood L)

Mr. Monte McNaughton (Lambton–Kent–Middlesex PC)

Mr. Michael Prue (Beaches–East York ND)

Ms. Soo Wong (Scarborough–Agincourt L)

### **Substitutions / Membres remplaçants**

Mr. Toby Barrett (Haldimand–Norfolk PC)

Ms. Sarah Campbell (Kenora–Rainy River ND)

Mrs. Donna H. Cansfield (Etobicoke Centre / Etobicoke-Centre L)

Mr. Joe Dickson (Ajax–Pickering L)

Mr. Bill Mauro (Thunder Bay–Atikokan L)

### **Clerk / Greffier**

Mr. Katch Koch

### **Staff / Personnel**

Ms. Susan Viets, research officer,  
Research Services

## **CONTENTS**

Tuesday 21 January 2014

Pre-budget consultations .....	F-711
Ontario Nurses' Association .....	F-711
Ms. Colleen Morrow	
Thunder Bay and District Injured Workers Support Group .....	F-713
Mr. Steve Mantis	
Mr. Eugene Lefrancois	
Thunder Bay and District Labour Council .....	F-715
Mr. Carlos Santander-Maturana	
Alzheimer Society of Thunder Bay.....	F-718
Ms. Alison Denton	
Northwestern Ontario Associated Chambers of Commerce .....	F-720
Mr. Michael Nitz	
Thunder Bay Chamber of Commerce .....	F-722
Ms. Charla Robinson	
ODSP Action Coalition.....	F-725
Ms. Ruth Westcott	
Poverty Free Thunder Bay .....	F-727
Ms. Terri-Lynne Carter	
Ms. Sara Williamson	
Northwestern Ontario Municipal Association.....	F-729
Mr. Iain Angus	
AV Terrace Bay Inc. .....	F-732
Mr. Giovanni Iadeluca	
Thunder Bay Health Coalition .....	F-734
Mr. Jules Tupker	
Ms. Suzanne Pulice	
Wesway .....	F-737
Ms. Carol Neff	



F-25

F-25

ISSN 1180-4386

## Legislative Assembly of Ontario

Second Session, 40<sup>th</sup> Parliament

## Official Report of Debates (Hansard)

Wednesday 22 January 2014

Standing Committee on  
Finance and Economic Affairs

Pre-budget consultations

## Assemblée législative de l'Ontario

Deuxième session, 40<sup>e</sup> législature

## Journal des débats (Hansard)

Mercredi 22 janvier 2014

Comité permanent des finances  
et des affaires économiques

Consultations prébudgétaires



Chair: Kevin Daniel Flynn  
Clerk: Katch Koch

Président : Kevin Daniel Flynn  
Greffier : Katch Koch

### **Hansard on the Internet**

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. The address is:

<http://www.ontla.on.ca/>

### **Index inquiries**

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.

### **Le Journal des débats sur Internet**

L'adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance est :

### **Renseignements sur l'index**

Adressez vos questions portant sur des numéros précédents du Journal des débats au personnel de l'index, qui vous fourniront des références aux pages dans l'index cumulatif, en composant le 416-325-7410 ou le 325-3708.



## LEGISLATIVE ASSEMBLY OF ONTARIO

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON  
FINANCE AND ECONOMIC AFFAIRS

Wednesday 22 January 2014

COMITÉ PERMANENT DES FINANCES  
ET DES AFFAIRES ÉCONOMIQUES

Mercredi 22 janvier 2014

*The committee met at 0900 in the Best Western, North Bay.*

## PRE-BUDGET CONSULTATIONS

**The Chair (Mr. Kevin Daniel Flynn):** If I could ask the members to take their seats please. Welcome, ladies and gentlemen, to the Standing Committee on Finance and Economic Affairs.

## CITY OF NORTH BAY

**The Chair (Mr. Kevin Daniel Flynn):** On the agenda before us, our first delegation this morning is from the city of North Bay. Mayor Al McDonald, if you'd like to come forward, Your Worship, and perhaps bring Jerry with you?

**Mr. Al McDonald:** Anywhere here?

**The Chair (Mr. Kevin Daniel Flynn):** Anywhere you're comfortable. The floor is all yours. You have 15 minutes; use that any way you see fit, Your Worship. If there's any time left over, our questions this morning will come from the Conservative Party.

**Mr. Al McDonald:** I feel like I'm on the old show Beat the Clock.

**The Chair (Mr. Kevin Daniel Flynn):** Yes, it is kind of like that.

**Mr. Al McDonald:** Good morning, everyone, and welcome to the city of North Bay on a wonderful northern Ontario day. I'm here with my CEO, Jerry Knox, and our CFO, Margaret Karpenko. I do have copies of my presentation if you want to distribute them to the members of the committee.

There were a number of topics that we wanted to speak to the committee about this morning. I'll just list them off very quickly for you: sustainable funding, the OMPF funding and infrastructure, energy, new policy development—that's the transportation tax and provincial pension plan—the Apprenticeship Training Tax Credit, "heads and beds" and the proposed increase on fuel.

The number one topic was sustainable funding. I know that the government released a rural program up to \$100 million that would be distributed to northern and rural communities for infrastructure, which we applaud, which we think is a good thing. The challenge that we have as a municipality is that we jumped through all the hoops and spent a lot of time, effort and staff costs to apply for the

program on one of our infrastructure projects that is critical to the needs of the citizens of North Bay, only to be turned down during the process.

One of the things that we find critical for reducing the infrastructure gap that's well known by everyone in cities across the country—and North Bay is no different. What we're looking for, what we think would be better is if there was sustainable funding; in other words, X number of dollars towards infrastructure each and every year so we're not holding our cap out asking for money. We have no issue if the program is around infrastructure—maybe it would be bridges or roads—if there were some conditions applied or some standards on that funding, but it would at least allow the cities and communities to be able to plan better.

Our current MPP, Vic Fedeli, would know this as the previous mayor of North Bay: We have a 10-year capital plan. We know what needs to be done in the next 10 years. We sit around the council table trying to develop our budget, and we don't know if we're going to get any funding for some of this infrastructure. For example, there was a bridge that we were hoping to get \$900,000 for, which is a critical link in our city; we were turned down. You can imagine, we're going through a budget process wondering if we're going to get money or not. I don't think that is the best use of our staff time or our elected officials' time.

If you're looking at some ideas when it comes to funding infrastructure, and I know it's important, look at sustainable funding that is per capita, or whatever the criteria is. We need to know how much it is in advance every year. As I said, it doesn't matter if it's tied to bridges or roads, we can use it.

On the OMPF funding, it's kind of a sore spot for a lot of the cities in the north. I know my colleagues in Sudbury, the Soo, Thunder Bay and Timmins raised this as well.

What we found was that the funding formula in the past was flawed. I know the previous mayor, the deputy mayor and the CFO made a presentation to the minister at the time and were basically turned down. We did an internal study that was backed up by KPMG, and it was very clear that we were shortchanged by \$2 million a year; I can provide those documents for you. So we're concerned about the downloading, if you will, of costs.

They are correct, in a way, that some of the costs have been uploaded to the province, but not the amount that is

being cut back in our transfer payments. We just wanted to make that clear, that OMPF funding is an issue for us.

I did touch on the infrastructure capital funding.

Energy costs: We are hearing more and more about the unsustainability of a lot of our manufacturing companies here in the city of North Bay, and I won't speak to any others—well, I'll speak to one just outside of North Bay. But we're hearing from them that the hydro costs are driving them out of the province—not just northern Ontario; they are driving them out of the province.

There's a local firm, and I'll state it, because they've been in the paper quite a bit, which—what's the name of it?

**Mr. Jerry Knox:** Fabrene.

**Mr. Al McDonald:** Fabrene is very concerned, and they're a global company, so they could pick up and go anywhere they want for competitive pricing. If energy costs are one of their large inputs into their costs, you can imagine that it's very easy for them just to set up a shop somewhere else.

We're also seeing energy impact our city budgets. For example, the global adjustment fee is over a million dollars more a year in our budget, which is transferred right to our taxpayers, and that doesn't get picked up. Our residents see it on their hydro bills, but they see it in their tax bills, too, so it is a concern.

I know that there's a Black and Decker company in the south. You're probably all aware of it. They don't believe they are ever going to be able to attract a manufacturer back.

I do know that there is consideration for the large, large users of hydro; there are breaks. I would suggest that you review that program and make small and medium-sized manufacturers eligible for that program, because truly they are the ones who are going to drive employment in our community.

I'm going to skip by the provincial pension plan, just because I know that I don't have time. Mr. Chair, I don't know how much more time I have.

**The Chair (Mr. Kevin Daniel Flynn):** You have about seven minutes.

**Mr. Al McDonald:** Seven minutes? Okay.

The Apprenticeship Training Tax Credit: You're starting to hear a lot about that in the last little while. I'm working with a number of mayors in southern Ontario, and we've formed a committee on the importance of the Apprenticeship Training Tax Credit.

We have almost 800 individuals in contact management in the city of North Bay. If you do it per capita, if you look at Toronto, Windsor or Oshawa when the auto sector went into decline and the government stepped up and provided incentives to keep the plants open, which we don't disagree with—if you were to cut back the ATTC and we were to lose that employment, the per capita number of jobs that we would lose in our city is not even close to what it would be if you lost the whole auto sector in the south. For example, in North Bay, 800 represents over 1% of our population. That gives you an idea of the hit that that would take. We know that there

are some issues with the program; we just ask you to review them, but it is critical for us.

On the heads and beds, which everybody sitting here is well aware of, we haven't seen an increase in that rate since 1987. To give you an example, of all the buildings we have in our community where it falls between the provincial and federal governments, we receive in lieu about \$490,000 in heads and beds. If they were just regular buildings that the citizens owned, we'd be getting \$5.5 million. So not only are we being shortchanged on the sheer cost of what it is to provide services to the buildings; our local taxpayers are actually subsidizing those buildings. We'd like to look to see that there be an increase in the heads and beds.

**0910**

There was a proposal that we wanted to speak out about, that we're hearing quite a bit lately, and that's the increased tax on fuel. I'm not going to go into too much detail, but we are totally against that. I have not heard one citizen in my city who would support that, and the drag that would have on our economy and tourism—and I'll go back, as mayor, because of our city budget—is substantial.

That basically concludes our presentation, Mr. Chairman. I'm not sure if there's an opportunity for Q&A, but—

**The Chair (Mr. Kevin Daniel Flynn):** Yes, there is. You've left quite a bit of time, almost four and a half minutes. Who's up first? Vic?

**Mr. Victor Fedeli:** Thank you very much, Chair. Welcome, everybody, to the hearings, and thank you for an excellent presentation.

I want to summarize a couple of things before we jump into one. On the sustainable funding, you talked about the cap in hand. I've heard other mayors talk about it as a lottery system. What you're saying is that you're in favour of a set number so that you can plan for your budget. Am I correct with that?

**Mr. Al McDonald:** Correct.

**Mr. Victor Fedeli:** The OMPF funding: We've talked for years about the flawed funding formula. I've been out of the municipal game for a couple of years and I'm not familiar any longer with the clawback. Is there still a clawback happening, or has that all been gobbled up?

**Mr. Al McDonald:** I'll answer very quickly and then I'll turn it over to my CFO. Absolutely, we know that the previous formula—we were short \$2 million. I'll turn it over because I know Margaret was part of the committee moving forward.

**Ms. Margaret Karpenko:** Good morning. The new formula is definitely an excellent move in the right direction. It alleviates that clawback issue that was in the former formula, so I'm very fond of the direction that the committee has taken in reviewing the OMPF.

The only issue in terms of sustainable funding is that the fund is continuing to be reduced. Even though the equity, in terms of how it's distributed, has been improved, it's critical to our ongoing operational sustainable funding for the municipality, and with that ongoing

decline of the funding envelope, it's putting a lot of pressures—almost 1% a year just on our tax levy. It's hard to predict because the new formula does take into consideration economic conditions within each community, so you can't forecast in terms of the long-term impacts on the formula, because it is adjusted every year for economic conditions.

**Mr. Victor Fedeli:** How much less did you get this year than you expected?

**Ms. Margret Karpenko:** Some \$560,000.

**Mr. Victor Fedeli:** And that's where you said it's about a 1% tax increase from that?

**Ms. Margaret Karpenko:** Yes.

**Mr. Victor Fedeli:** Okay. The energy, the global adjustment: You understand where that comes from. The price of the energy is about 2.5 cents a kilowatt hour and the global adjustment is about 8.5 cents a kilowatt hour from green energy, gas plant cancellations, things like that. You do understand that?

**Mr. Al McDonald:** Yes, and as I said, it's over \$1 million additional cost to our taxpayers.

**Mr. Victor Fedeli:** The apprenticeship training: I appreciate your comment on that because we have had two presenters from the industry present to this committee, and it's very important that we continue to hear from each community how important it is.

I'm going to use your expression, when you put it in perspective to the larger centres. To hear somebody say, "Oh, you're only putting 200 or 300 jobs at risk in your community"—when you do the multiplier of Toronto, that's a huge number. First of all, by the way, 200 or 300 jobs in any community is a lot, in my opinion. I'm going to start using that, putting it in perspective by proportioning the number to a Toronto number. I think they'll understand that a little bit better.

Your comments about the fuel tax: Do you acknowledge that not only are they looking at increasing the price of gas by 10 cents a litre, they're also talking about a half a per cent increase in the corporate tax rate, which would bring Ontario to 12%, the highest tax rate of all of the large provinces in this country? How do you think that will affect your business community?

**Mr. Al McDonald:** It's an awesome program if the idea is to drive manufacturers and companies out of the province.

**Mr. Victor Fedeli:** I'm going to leave it at that.

The one area you didn't talk about but is very nicely detailed in your proposal here is the proposed pension plan. You called it a plan that will stifle new investment. I know you skipped over it to make time at the end, but can we talk a little bit about that? It's something that has come up frequently.

*Interruption.*

**The Chair (Mr. Kevin Daniel Flynn):** I'm afraid you won't be talking about it, but I'm sure you were going to say something incredible. Everybody will be available for you off-line—and if you would like to send in your presentation.

If you did have a closing summary though, Your Worship, if you want to take 15 or 20 seconds, feel free.

**Mr. Al McDonald:** First, just thank you for everything you do. I know how tough it is as elected officials when there's never enough money, but you need to know that cities are under distress. The policies that are happening at higher levels of government are making it very, very difficult not only on our communities but on individual taxpayers.

**The Chair (Mr. Kevin Daniel Flynn):** Great. We appreciate you coming this morning. Thank you.

#### ONTARIO REHAB ALLIANCE

**The Chair (Mr. Kevin Daniel Flynn):** Our next presenter this morning is from the Ontario Rehab Alliance: Laurie Davis. If you'd like to come forward and make yourself comfortable—you have 15 minutes like everybody else, Laurie. This time the questions will come from the NDP.

**Ms. Laurie Davis:** Thank you. Good morning, everyone. I'd like to thank you for this opportunity.

I represent the Ontario Rehab Alliance. We're an association representing more than 90 health care organizations with over 4,000 health care professionals working with them. Our members are the primary providers of health and rehabilitation services to the 65,000 Ontarians—enough to populate a small city—that are injured each year in car accidents in this province.

We've appeared before a number of hearings on the topic of auto insurance over the years. Each time we appear, we note that in order for the auto insurance system to be stable, there must be a balance between protection of victims, insurer profitability and cost of premiums. Since the cuts made in 2010, these three pillars have been in a state of disequilibrium. The past changes have sacrificed premiums and protection to increase insurer profitability.

We applaud this government's actions to restore some equilibrium by insisting on a reduction in the cost of premiums. But we worry. We worry that protection will be further eroded if insurers' unsubstantiated claims of rising accident benefit costs are heeded. We know—and the GISA data backs this up—that insurers can remain profitable following a reduction in premium costs without further restrictions to accident benefits.

In 2012, the loss ratio for accident benefits in Ontario was 44. This means that out of every \$1 in premiums collected with respect to accident benefits, only 44 cents was paid out, leaving 56 cents on the dollar toward the insurers' bottom line. This 2012 loss ratio in Ontario was the lowest one in Canada.

Further, data released in late December by the Insurance Bureau of Canada, drawn from their Ontario Health Claims Database, paints an intriguing picture of what some of those cost drivers are.

In the period of July to December 2011, insurer-initiated clinical exams accounted for a shocking 30.6% of insurer-paid expenses, compared to only 7.8% for provider-initiated exams. This wasn't a blip. In the same

period, in 2012, insurer exams accounted for 27.3% of expenses, with service provider exams at a mere 6.4%.

We know that there are some problems with this data because the insurer exam category also includes costs that are not med rehab-related. But the fact remains that these are all insurer-driven costs, and they disproportionately contribute to the claims costs that they complain about. This awkwardly structured data may prevent us from comparing apples to apples, but it doesn't alter the fact that there is a rotten apple here.

Why are insurers spending so much of their own money on insurer exams rather than restorative treatment, which is, after all, the mandate of med/rehab benefits? These exams come about for the primary purpose of denying claims for treatment. Data on current denial rates is not reported, but our members and many others working in this sector report historically high denial rates since the 2010 changes were made.

In 2011, we conducted a survey of 1,143 rehab providers and found that 42% of requests for treatment were being rejected. This is up from only 11% prior to the government's changes to the insurance system—a whopping 282% jump.

0920

Insurers have nothing to complain about. The 2010 cuts helped them enormously, but the situation for injured drivers is a different picture entirely. In fact, on a weighted average basis, Ontario has the poorest health care funding in Canada when it comes to auto insurance.

I am here to tell you that today's accident benefit system is inadequate, and we see the impact of that on people's lives every day.

When it comes to auto insurance, consumers don't know what they are buying and they don't get what they pay for. They don't find that out until they are hurt, and by then it's too late to do anything about it.

How many of you know what your entitlements to accident benefits are? If you are like most drivers, you assume that your medical and rehabilitation needs will be covered by the basic package that most of us have, but you'd be wrong. Even if you read the fine print and learned that you have up to \$50,000 in med/rehab coverage, you won't see that you are much more likely to find your health care is restricted to a minor injury guideline, with a maximum of \$3,500. This amount must cover not only physical injuries but also treatment for debilitating mental health conditions that can result from an accident.

We have always supported a minor injury guideline, but we cannot support how it is currently being used by insurers to routinely relegate to this category many people with more serious injuries.

If you're like most Ontarians, you won't have known to buy up so that you may—only if you need it and only if your insurance company agrees with you—access up to \$100,000 or \$1 million in benefits. Only 1.4% of drivers have done this, and I expect that most of those who did so work in this sector. They know first-hand that \$50,000 is often—too often—not enough for those with serious injuries.

Imagine a typical rehabilitation period of five years for a serious injury. That translates into \$833 a month to pay for medications, physiotherapy, speech therapy, nursing care, equipment like a wheelchair or a hospital bed, building a ramp to get into the house, making the bathroom accessible and many other potential rehab-related costs. Insurers call these services the Cadillac of benefits. Is getting into your own home and bathroom your idea of a ride in a Cadillac?

When policyholders know enough to buy up their benefit limits, they remain subject to the \$3,500 minor injury guideline, intended to capture up to 80% of accident victims. Do you think many insured drivers have any idea of this?

The changes made to accident benefits in 2010 have had dramatic and negative consequences for the injured. Last spring, the Ontario Rehab Alliance conducted a survey of health professionals working in the auto insurance sector to gather data on the impact of the cuts. The findings are sobering. Only 20% of seriously, but not catastrophically, injured victims were attaining their rehabilitation goals since the reforms of 2010—this compares to 60% before September 2010. Prior to 2010, 42% of injured clients could achieve half of their pre-accident function; now only 26% are able to attain this level of recovery.

These are numbers, but behind every number there are people hurting and trying to get their lives back. Many will never return to their pre-accident health and function levels. Many will find themselves fighting a losing battle with their own insurer to get the benefits they paid for.

I urge you to do all that you can to bring greater equilibrium to this system by working to restore accident benefits to more realistic levels, and to hold insurers accountable for their actions. I urge you to ask your constituents, your friends and family members about their post-accident experiences. I urge you to call your brokers and buy the optional benefits that you may need some day, despite their substantial and arbitrary restrictions. I urge you to drive safely. Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** That's great. Thank you very much. We appreciate your presentation. You've left about six minutes for questions. Michael or Catherine? Catherine.

**Ms. Catherine Fife:** Thank you very much, Laurie, for incorporating a little sarcasm in an early morning in North Bay. But your points are well taken, especially with regard to the quality of services that are either not delivered or delivered.

As you know, the NDP did push the government to reduce auto insurance premiums by 15% because those 2010 savings, as projected, were not passed on to the clients. But we have heard conflicting reports as to whether that 15% is actually playing itself out. Do you want to comment on that? Then, also, I have a question with regard to the insurer clinical exams.

**Ms. Laurie Davis:** I can't speak with any great knowledge of how premiums are really calculated or being applied. Was that your question?

**Ms. Catherine Fife:** Yes. You're not hearing anything?

**Ms. Laurie Davis:** No, it's not really my area.

**Ms. Catherine Fife:** Okay. On the first page of your presentation, though, you do quote the insurer-initiated clinical exams.

**Ms. Laurie Davis:** Yes.

**Ms. Catherine Fife:** This is new information. I haven't seen this. Can you comment on where you've actually received this information from?

**Ms. Laurie Davis:** Absolutely. This information comes from HCAI, the health claims database. This is the database that all service providers must use. It has been mandated for a number of years now. It's essentially a portal with which all the billing and, in fact, all the back-and-forth related to treatment plan applications and applications for assessment go through, so there's an enormous amount of data that is being collected. This is the Insurance Bureau of Canada's database, although they are mandated to maintain this database through FSCO. As I understand it, the information belongs to the IBC, not to the Ministry of Finance or FSCO.

This data was released in December. You can go onto FSCO's website and Google "health claims database report," I think it's called, or I'd be happy to send it to you.

**Ms. Catherine Fife:** Okay.

**Ms. Laurie Davis:** There is lots of data there. Unfortunately, for much of it, the nature of the way the data has been collected and reported makes it really difficult to say with any solidity that we see these trends which we suspect are there. But, certainly, the insurance-initiated exams—that's irrefutable. There's lots of other data which we think supports what we are saying, but we're aware that the data is dynamic. In other words, in data reported from a year ago on a claim that is still open, that number will change over time. It's only the older data and the more minor injury data that has any solid ground. We wish that the data that was reported would actually be more useful than it is.

**Ms. Catherine Fife:** Yes, so do we. Thank you very much. I'll be sure to share this with my colleagues. Thanks for today's presentation.

**Ms. Laurie Davis:** Thank you.

**Mr. Michael Prue:** I have a few questions. How much time is left?

**The Chair (Mr. Kevin Daniel Flynn):** You've got about three minutes, Michael.

**Mr. Michael Prue:** Three minutes; okay. Your first bullet point on the first page says that the 2012 loss ratio in Ontario was the lowest one in Canada. What are the loss ratios in other provinces?

**Ms. Laurie Davis:** I'm sorry, I can't tell you that offhand, but I would send it to you.

**Mr. Michael Prue:** You'll send it; okay. I'd just like to see how much we're out of whack, because I assume, if we're the lowest, that we're out of whack considerably, considering that insurance rates in Ontario, because of

the size of the population, should be actually cheaper to run than everywhere else.

**Ms. Laurie Davis:** Right.

**Mr. Michael Prue:** No other province has this many people, this many cars.

**Ms. Laurie Davis:** GISA has a lot of information, as I'm sure you know. I will forward that to you.

**Mr. Michael Prue:** Okay. Also, on the second page, you say, "Insurers have nothing to complain about. The 2010 cuts have helped them enormously." I hear from insurers all the time, saying that it's getting tough out there. You're disputing this, and I think the anecdotal evidence that I'm hearing from other sources causes me to question that it's a really tough market out there for insurers. It seems to me that a lot of money is being made.

**Ms. Laurie Davis:** Their shareholders seem happy. Also, I think if you look at the HCAI data, you will see that—I mean, if we were prepared to just use whatever statistics were on paper, you'd see something that looks like a very dramatic decline, in fact, in overall claims and overall costs. But because we can't be sure that those numbers won't go up, we didn't feel comfortable reporting them. I will send you that report, and you can take a look.

**Mr. Michael Prue:** I remember, when these were being talked about in the Legislature, standing up and make a statement something to the effect that the insurance companies were seeking to sell an inferior product for more money and that any fool could make a profit off of this. I don't know whether I was prescient or whether I just looked ahead. But it seems to me that that's exactly what we've got here. We've got an inferior product and yet the costs kept going up and up and up. The insurers say that's because of catastrophic injury and because—they've got a number of excuses—of fraud; fraud is a biggie. Do you have any comment on that?

0930

**Ms. Laurie Davis:** Catastrophic injuries account for a very, very small percentage of the total amount spent on accident claims. I think we've seen some reluctance to actually open that door, because a lot of the expert evidence doesn't support the changes to the catastrophic designation that the insurers have proposed. But, certainly, I think that there is no doubt that the 2010 changes have helped.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much for coming this morning, Laurie. It's appreciated.

*Interjection.*

**Ms. Laurie Davis:** Yes. It helped insurers—only insurers.

#### NORTH BAY REGIONAL HEALTH CENTRE

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation this morning is from the North Bay Regional Health Centre. Paul, if you'd like to come forward. Make yourself comfortable. If you have a handout, the Clerk will take it.

**Mr. Paul Heinrich:** Yes, I do. There you go.

**The Chair (Mr. Kevin Daniel Flynn):** Welcome.

**Mr. Paul Heinrich:** Hi. Thank you. So when I'm ready? Is it good—

**The Chair (Mr. Kevin Daniel Flynn):** Yes. You've got 15 minutes, like everybody else. Use that any way you see fit. The questions this time will come from the government side, if there's any time left.

**Mr. Paul Heinrich:** Okay. Thank you for this opportunity to present to this committee. The opening remark I had was that there is a huge change to more community-based care, shifting away from acute settings. That is a direction of government, and, in my opinion as a health care provider, it's the right direction to go. The challenge is the assumption that the community sector is ready—number one. The second challenge, that all activity and direction of these health programs should be transferred to community agencies immediately, is also a flaw. I think that we have to adapt our organizations to perhaps change to provide that leadership.

Actually, jumping to the end of my notes here, the Public Sector Labour Relations Transition Act is a real barrier because it's restrictive in terms of, whatever employees move from one organization to another, there are not going to be any savings around the cost for employees, if that's one of the basic assumptions. Why not work with existing organizations who have expertise and the ability to act now to make some of those efforts? So, again, this shift to community-based care: absolutely the right concept, but we're not ready, and as we make the changes to the acute care sector rather quickly, we don't want to create chaos. We want to enhance that community sector in a responsible and planful manner.

I'm just going to back up here. I wanted to highlight people living with complex needs and back to community supports. We need supports for those people—for example, adults with autism or dual diagnosis—that would include investment in recovery homes. Actually, in the north, the direction of the North Bay Regional Health Centre: Our organization is both an acute provider and a regional tertiary mental health service provider. So what we've done recently is, we've worked with partner agencies like CMHA to invest in recovery homes in North Bay and Sudbury. We want to do that in other centres so that people, instead of being institutionalized for decades, can actually live in the right kind of setting in the community. We've seen some incredible reductions in alternative level of care for patients that had been institutionalized for decades. We're now seeing them integrated. In a way, shame on us for not making those supports available sooner. So I wanted to raise that one.

Behavioural supports is an enormous burden. I'm not sure if everybody is paying attention to this, but I'm getting a lot of complaints about patients worried about people who are exhibiting responsive behaviours. They're worried about their families. The caregivers are anxious. We don't have the supports for secure units in long-term care, like we should. What's happening is, they're in the wrong setting, and it's dangerous for both those people and the people living around them.

Just one innovative idea which we're bouncing around right now is—because here's the thing: Everyone just says, "Build more long-term care." There's a myth there. We have to adapt long-term care. They have to be able to deal with increasing complexity. Just like hospitals are getting more and more complex, so are complex continuing care beds, so are long-term care. We're asking more of each of those institutions, and even the home care-based people are requiring more and more supports.

So why not create a grant program that would allow long-term-care homes to invest in some infrastructure to build safe environments for people like that? That actually might not cost a lot of money but help adapt existing resources in a new way. You talk about a tsunami and we always just generalize it—a massive increase in dementia and also responsive behaviours associated with that.

Quickly on transportation: I know the government is getting pressure. I heard this through our association. I would urge the government, instead of looking at parking, to look at transportation in general. It's especially an issue in a large geographic region like the north. There is a whole bunch of money spent by the government on travel grants for health. What if there was a better way to invest in that, to create a more robust transport system? There's already money being spent, so look into that. I would suggest the government do a review and get a report on what investments, or disinvestments, in some respects, should be made in the transportation sector.

Moving on quickly to occupancy, this is kind of what I originally mentioned. It's important to have flexibility to support the movement of appropriate health care service in hospitals to qualified community-based providers. Hospitals have continued to improve their efficiency over the years, and we've been getting 0% increases. In fact, it's less than that. We're getting less than zero.

Again, the government is consciously trying to divert resources into the community, but exactly how much investment is going into the community—I would submit that even though a large percentage increase is going into community care access centre funding, relatively speaking, it's not enough, because that's the constant complaint.

I just came from a medical advisory committee, and the doctors were saying, "We can't get access to community care access centres after hours and on the weekends." That's just creating extra stays in our hospital. Again, it's not to blame CCACs. It's actually more investment than you imagine that has to go into community-based care.

I just wanted to comment: The government did a really good thing when they invested in the Emergency Department Process Improvement Program. It was actually a direct investment by the ministry. They sent coaches out to hospitals. It actually had a dramatic impact using quality tools, like Lean, to dramatically improve wait times.

I think the government should look at that program and consider taking it another step further. It had an enormous positive impact, and probably the government

didn't get enough credit for that, but they deserved it. It was so innovative. Do more of that.

Don't just throw money in buckets, but if you could create some grant programs and encourage multiple agencies to respond: a perfect example is Aging at Home. We need a new set of opportunities for people to get creative and have to work together to solve problems with a little bit of money, and a little bit of money can go a long way if you've got a creative and innovative team that's responding to it.

Can I just get a time check, Mr. Chair?

**The Chair (Mr. Kevin Daniel Flynn):** You certainly can. You've got about between six and seven minutes.

**Mr. Paul Heinrich:** Okay. Well, I'll just sum up in a minute, because I want you to have a chance to offer questions, and I have submitted the balance of stuff here.

Really quickly, on our local situation, our organization merged. There were two organizations. They merged three years ago. We have a new building.

The Health System Funding Reform, although a good idea, we have not worked out the kinks. I can tell you that, from North Bay Regional Health Centre's budget, the impact is about \$30 million because of the change in the funding resources, the funding program.

It's a very good concept, matching funding to population and morbidity volumes, and they have mitigation funding that's been in place over a three-year period. I really urge the government to consider extending that or re-evaluating that, again, in order to get the community enhancement set up and a program—it's not just about refining the hospital. And the time factor: We're basically trying to take out \$30 million of costs in two years. To be quite honest, I lose a lot of sleep about that. We want to do that in a responsible way while enhancing community support, maintaining quality and not dropping the ball, because people's lives and well-being are at stake in this business, and it's not just about the dollars. Thank you.

0940

**The Chair (Mr. Kevin Daniel Flynn):** Very good. You've left about five and a half minutes. Who's going to be asking? Donna?

**Mrs. Donna H. Cansfield:** I'll start. Soo might have some questions.

Thank you very much for your presentation. I concur with you that we have to do some new thinking around delivery systems, especially dealing with an aging population and extraordinary geographic situations.

Interestingly enough, sometimes processes get put in place—and I agree with you as well that reviews need to be done. I'd be interested in your perspective. The government gives the hospital a certain amount of money, and the hospital takes—I'm going to use 20%, roughly—for administration and program development. The government gives CCACs money; they take 20%. The LHINs take 20%. So suddenly, the amount of money going into the programs and the people is diminished significantly. I would be really interested in how you think we can approach redirecting the dollars back

through to the patients, because there are not a lot of dollars. I don't care what government is in place; there aren't a lot of dollars.

**Mr. Paul Heinrich:** There's an obvious answer to that. Another standing committee of the government is about to do a review of the LHINs, and I can tell you what the themes are going to be. One of the biggest ones is that the LHINs are not empowered, truly not empowered—I'm wondering who's listening and recording this—to truly make changes in the structure of the health care system. We have a rather fragmented system—and, by the way, the biggest quality problems occur at transitions of care. How many different transitions of care do we have to do, the way we've structured our province?

The LHINs have basically not been—here's a target for consolidation, and there's no appetite because it's the third rail, politically, so I'm not sure that there's any willingness to actually make those dramatic changes. I think we have more than 200 health care providers inside the LHIN legislation, and then there are more outside: primary care, public health. So it continues to be in a fragmented state.

I just want to comment on the admin. For many years now, with the amount of money coming out, we were certainly looking at admin costs first. I can tell you that people who report directly to me as president and CEO—in the last year, \$1 million of compensation costs have been removed in terms of positions reporting directly to the CEO. I make sure that happens, because when our providers and our patients challenge me about where the reductions are happening, I want to be able to say, "The first thing we did was admin."

You have a number of different organizations. The obvious answer is: Could it be done differently? The government should pay attention to that review.

It's not to blame the people who are working in the LHIN. They haven't been given the tools. You need some kind of coordinating function. You can't just completely blow it up, but you've got to either give it power or not. You have to decide. And don't go the way of Alberta, where they went to one, and now there's no separation between government and the health provider, and all the flak will be going the government's way now. Plus, having one single organization covering a huge delivery system—don't go too far the other way, either, because you need some local context to run a health system.

**Mrs. Donna H. Cansfield:** So then the idea that you said earlier, bringing the people together within the community and developing a strategy on how to move forward, makes a lot of sense.

**Mr. Paul Heinrich:** It does.

**Mrs. Donna H. Cansfield:** It really does. So that should be coordinated, you're suggesting, through the government.

I think Soo would like to—

**Mr. Paul Heinrich:** Yes. Can I just say really quickly: The health links program—it's a little bit fuzzy and it's hard to grasp. I'm not a huge fan. It's a good concept, but it's very unstructured.

**Mrs. Donna H. Cansfield:** I'm with you.

**Ms. Soo Wong:** Thank you very much for your presentation. With respect to your two identified concerns about complex needs and behavioural supports, there is actually a select committee going on right now as we speak on these two issues. I'm going to encourage you, as the CEO for the regional health centre here, to identify solutions, because the select committee finished their hearings yesterday and we will be doing an interim report, coming through the committee to the Legislature by the end of February. So I'm going to encourage you to come back, because I wear that hat as well.

I'm particularly interested to hear a solution with respect to the aging of those intellectually and developmentally disabled individuals in northern Ontario, because we consistently heard that the DSOs are not working with the LHINs. The concerns that were consistently heard were the fear and intimidation and disrespect of the DSOs to those individuals in the setting. These are the same people who also need help through the health—

**Mr. Paul Heinrich:** The health care system, yes.

**Ms. Soo Wong:** So as the CEO of a regional health centre, can I ask about the collaboration of your agency, the hospital, with respect to the DSO?

**Mr. Paul Heinrich:** Okay. Very good. I'll definitely make some inquiries on that.

**Ms. Soo Wong:** That would be great. Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Very good. Thank you very much for coming today. It certainly was appreciated.

**Mr. Paul Heinrich:** Thank you very much for the opportunity.

#### MR. WILLIAM LOVE

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation this morning is William Love. William, if you'd like to come forward and make yourself comfortable. Is that a handout you have?

**Mr. William Love:** Yes, it's a handout I have.

**The Chair (Mr. Kevin Daniel Flynn):** Do you want them handed out?

**Mr. William Love:** Sure. Good morning. Thank you very much.

**The Chair (Mr. Kevin Daniel Flynn):** Good morning. Thank you very much for coming. Fifteen minutes: Use it any way you see fit. The questions, if there's any time for them, will come from the Conservative Party. The time is all yours.

**Mr. William Love:** Perfect. Just by way of background, I'm a private individual. I don't consider myself to be a political person. I've never done something like this before. I've lived in BC, Quebec and Ontario—the last 15 years in North Bay.

I guess why I'm here today is not so much for me, but really a move to make this presentation about the next generation of my kids and the next generation of kids who are in Ontario. It's mostly about trends and big-picture stuff. I really want to talk about three things: the

Ontario debt, electricity costs, and GTA transit funding, just to wrap up.

I focused on the overall debt just because I think it's a good indicator of overall financial health, an indicator of good fiscal management and, I'll call it, a robust economy. Sorry for the quality of the graphics. I tried to make them bigger, but they got fuzzier. I don't know if that was on purpose or not.

Basically, on the right, we have absolute dollars, so we're looking at a \$250-billion debt. It's not Greece, but it is like Greece in that there seems to be a reluctance to deal with the longer-term issue of continuing to increase the debt. Obviously, what we see is a steep increase in terms of recent accumulation of debt.

On the left is basically as a percentage of gross national product, and that's your ability to—how big is your economy to carry your debt? Again, we're at 37% today. The forecast says "status quo," which is the top yellow line, based on both Drummond's report and others. It says we're going to be at 66% of GDP by 2019.

What does that mean in terms of things that I can understand? We've heard lots of problems in the US: the federal government in the US, Detroit, and one of the ones that keeps coming up is California. How does Ontario compare to California? Well, it's not good. If you look at it, we have a quite a bit larger total debt. Our debt-to-GDP ratio is quite a bit higher. Part of that is population-driven, so our debt per person is also significantly higher. Interest expense: \$9.5 billion versus \$5.5 billion. That's a result of the size of the debt. And the ability to pay for that: 8.9% versus 2.8%. So it says that on all metrics, basically, Ontario is in a much worse place than California.

Issues: Ontario's debt stands at 37% today, and that's exactly where Greece was in 1984. We've got a pretty steep trajectory of net debt to GDP. It says it's going to reach 66% by 2019. I guess I'd say that Greece seems to offer a cautionary note of what not to do with public finances and debt.

Electricity costs: I think you guys all know this. Residential and industrial rates have increased dramatically in the last five years. I did a quick tally of my own electrical bill: From 2009 to 2013, it has increased by 54%. In that same time period, I had two teenagers move out of my house, and I bought two new EnerGuide-rated appliances. We have time-of-use in there and the clean energy benefit. It's probably no better this month, but certainly in December of last year, there were people who had electrically heated homes who paid \$450 for December. It's not a discretionary purchase; it's not something people can't buy. I feel sorry for anybody with a fixed income.

0950

GTA transit funding: We keep hearing this thought that we would have a provincial gas tax to pay for it. I think it's fundamentally unfair. Make it a regional tax. The user pays. In theory, it should incent more public transit usage, partly by dislocation. If it's 10 cents more expensive to buy gas, hopefully people will start to use more public transport.

I also hear, "Well, some of that money would come back to North Bay." I certainly don't expect to see a subway in North Bay any time soon. I don't expect to see commuter trains up here very soon. Maybe some money could be spent on infrastructure. Unfortunately, in the north, we depend on our cars. There is some public transport, but I don't think the population is there to support any kind of major increase.

In summary, on the debt, I think it's control spending, because if I look at some of the numbers, it doesn't seem to be a revenue issue. From 2009 to 2013, revenue has increased from \$90 billion to \$114 billion, so it isn't really an income or a revenue issue. It would seem to be a control-of-spending issue. Focus on balancing the budget, and certainly slow the increase in debt.

Some other numbers: From 2000 to 2011, public sector employment grew by 38%, while private sector employment grew by 11.4%. It sort of says that there needs to be more control and get control of the spending. That yellow line on the first slide was status quo, and these other lines were less spending but not no spending. I guess at one point in time, I thought we had legislation that required a balanced budget. I don't know where we stand on that today.

**Electrical costs:** Hydro-Québec made a \$2.7-billion surplus last year that obviously went into the general coffers of the government. I'd like to see some will somewhere that says—I know we've got Hydro One, and we have Ontario Power Generation and the Ontario Power Authority. I don't know how many branches there are. I really think somebody has to have an objective to turn that around and make it the best-run utility, generate cash for the government and be an economic driver for the province. I think back to the analogy of CN. When it was a crown corporation, it was the worst-run railway in North America. Now it's one of the best railways in North America, so it can be done.

The GTA is basically user-pay regional funding only.

I would just finally close with the immortal words of Charles Dickens, "Annual income twenty pounds, annual expenditure twenty pound ought and six, result misery." Thank you very much.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, and thank you for the Dickens quote. You've got just over six minutes. Vic, are you starting?

**Mr. Victor Fedeli:** Bill, welcome. When I saw your name on the list this morning, I figured we would be talking wood; although that would have been a wonderful conversation, this is probably even more helpful to the committee.

You've made interesting comparisons, particularly the one about Greece. When you do that, people roll their eyes. I'm not one of those people, by the way, who rolls their eyes. Our debt-to-GDP was 27% 10 years ago. Today, as you've pointed out, it's 37%. The government indicates it will be 40% in the next couple of years, and you're talking about 68% based on the estimates from Drummond. You call it a cautionary tale; I call it a Greek tragedy.

We're going to go through your items one by one. Is there anything more you want to say about the comparisons with Greece?

**Mr. William Love:** I'm not an expert; I'm just a private citizen, and it's not for me. I'm old enough, I'm mobile enough. It's really for the next generation of kids. We can't continue to load up debt. My understanding is you could still have 4% growth in spending but not end up where those charts are saying we end up. So somebody needs to come up with the will to say, "It's not a revenue problem; it's really a spend problem."

I thought Ontario used to have balanced-budget legislation, so let's move ourselves back somewhere getting closer to a balanced budget.

**Mr. Victor Fedeli:** I'm going to send you something, if I can get your email after. I wrote a column that ran in many Ontario papers that compared Ontario's economy to Greece. I also wrote a column, which ran in several Ontario papers, that compared our economy to California. The fact is that our deficit in Ontario and the deficit in California were almost the same, but their size is three times larger than ours, population-wise. They have the ability to recover from it far better than us.

One thing I found in California—when I saw the fact that our deficits were almost identical, I took a four-day trip down there with Patty and I saw the result of what's happening with their deficit. The drive from San Francisco to the bankrupt city of Stockton was quite amazing—the garbage that had piled up on the side of the road. Their mining, not unlike our mining here locally, had all but evaporated, and their forestry sector, like ours, had all but evaporated. It was amazing to see the similarities of the two. It's not just their deficits.

They have turned to casino revenue. Do you have any thoughts about that here in Ontario, where our government is planning on 39 new casinos?

**Mr. William Love:** It sounds like gambling to me. I don't think that's what I'd want to see for the future of the province.

**Mr. Victor Fedeli:** The only one I didn't see you compare us to is Detroit and the recent bankruptcy in Detroit. I also wrote a column on that, which compared our financial situation to that in Detroit. It ran in several Ontario newspapers. Our debt per person in Ontario is almost as high as the debt per person of Detroit, so you can see the pattern that has developed that you're presenting: the tragedy that happened in Greece, and our numbers are almost identical and we're not paying attention; the reality of California and the actual comparison to Ontario, and we're not paying attention. Detroit just declared bankruptcy, and our debt per person of over \$20,000 is almost the same as Detroit's, which was almost \$27,000 per person.

We're not hearing the bell. What do you suggest we do?

**Mr. William Love:** I don't have the answers. I would just say, whether it's our own personal financial life—if you run out of money, you're going to have a problem

paying for anything you want, whether it's health care, whether it's education, whatever it is. Somehow we have to have the will to say we need to have a balance. Now we're getting ourselves into a position where you spend so much of your economy and so much money maintaining your debt.

**The Chair (Mr. Kevin Daniel Flynn):** You have a minute and 20 seconds.

**Mr. Victor Fedeli:** The one point that you make here that I find most interesting, and I have not seen this throughout our—we're on day 7 of an eight-day tour. We hear a lot of people saying to us, "Government austerity hasn't worked." I'm looking here and thinking, first of all, "Austerity? Where did you find austerity?" You point out here probably something that no one else has in our seven days so far: that government revenues have actually increased, just from 2009 to 2013, from \$90 billion to \$114 billion. I think you've said it three times now: We don't have a revenue problem, and it's very apparent here; there's a spending problem.

Did you also realize, though, and it's not here, that although we took in \$114 billion, we spent almost \$125 billion? I think that's—

**Mr. William Love:** Yes. I understand that we have run a deficit, and obviously, if you have a deficit, you have spent more than you brought in.

**Mr. Victor Fedeli:** We don't have enough time, Bill, to talk about electricity costs, but I think you understand that and you have articulated it very well with the changes you made in your own home and the fact that it hasn't saved you any money. In 10 years, prices have actually gone from 4.3 cents a kilowatt hour to 12.9 cents. They've tripled in 10 years.

**1000**

The only comment I would make about the regional funding for the GTA: What about paying for it from within existing revenue? Wouldn't that be a novel concept, Bill?

**Mr. William Love:** Well, it would be back to a balanced budget, so—

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much for coming today.

**Mr. William Love:** Thank you very much.

#### MS. BETTY DEAN

**The Chair (Mr. Kevin Daniel Flynn):** Our next presentation this morning is from Betty Dean. Betty, if you'd like to come forward and make yourself comfortable.

**Ms. Betty Dean:** Thank you. I found a good Samaritan who did some photocopies for me, so if you'd like to send that around.

**The Chair (Mr. Kevin Daniel Flynn):** There we go. Fifteen minutes, like everybody else. If there's any time left over for questions, they will come from the NDP this time.

**Ms. Betty Dean:** Thank you. First of all, I'd like to thank you for coming to North Bay in minus-35° weather. In an era of increased cynicism as it relates to

political leaders, I want to acknowledge the challenges that you face and indicate my appreciation for the public service you provide each and every day.

By way of introduction, I am a retired civil servant and a former college professor, so it caused me a lot of grief to hand this out in advance, because people read instead of paying attention, in my experience. But I am also the primary caregiver for an almost-90-year-old mother.

I'm here as a private citizen, like your previous speaker. I'm sorry I missed the presentation from regional health. The car starting was an issue. I volunteer with a number of charities: Grandmothers to Grandmothers—you can tell that by the grey hair; Habitat for Humanity; the North Bay and district Alzheimer society, which is merging with Sudbury; the Near North Palliative Care Network; and the Rising Stars. I speak today based on my personal research and readings, experiences and observations over the past two years of retirement, and not as a formal representative of any of these organizations.

In addition, my interest in community service goes back to the era of former Premier Bill Davis. It includes previous—and, I admit, ancient—experiences as a school board trustee and a municipal councillor.

I want to applaud the public statements of the Premier three months ago at the Ontario Nonprofit Network conference. She said, "Keep pushing us," that it "requires difficult discussions, but stay engaged." She offered to provide support when necessary and to get out of the way when necessary. I regard today's discussions as part of the engagement process.

I'm not going to go through my entire paper, because I'm convinced you can read, but I want to address the contributions and the needs of the non-profit sector as it valiantly attempts to provide social services in an ever-changing and challenging economy, complicated by demographics. I call this my "Some people see things as they are and say, 'Why?' I dream things that never were and say, 'Why not?'" And I have an addendum for that: "If not now, when?"

Just to highlight, don't go to Stats Canada, because they're not collecting the kind of information we need anymore. The latest I could find there was 2007. However, an organization called Imagine Canada indicates that our "non-profit and voluntary sector is the second largest in the world" and that "the 'core non-profit sector,'" which I spend my time with, "is a common way to refer to charitable and non-profit organizations"—in other words, we're not the hospitals and the universities. These organizations' revenues account for about 2.4% of Canada's GDP, and that's more than three times that of the motor vehicle industry. Hospitals, colleges and universities get the bulk of the money, but they only represent 1% of the organizations.

I went to the TD Bank because, you know what? I'm not an economist; I don't even do math well. I struggle with my own budget. But it really resonated with me when I read that the TD Bank said, "The economic value

of volunteering is approximately the same as the entire Manitoba economy."

Volunteer Canada says, "13.3 million Canadians contribute 2.1 billion hours, the equivalent of 1.1 million full-time jobs."

I wanted to bring it down to the Ontario experience. I went to the Ontario government website, and the documents there with regard to what they call the Partnership Project show that "Approximately one million people—15% of Ontario's total workforce—are employed in the not-for-project sector.... The total economic impact of that sector is nearly \$50 billion, representing more than 7.1% of GDP, a figure greater than the automobile and construction industries combined."

The volunteer time is valued at the equivalent of 400,000 full-time jobs.

What do we organizations want? I think it was made pretty clear at the Ontario not-for-profit conference that the funding process and supporting capacity-building should be the government's top priorities. I have a number of recommendations, some of which don't carry a big cost in dollars.

It is important for the Canadian government to adopt a national strategy both for dementia and for palliative care. I'm going to assume that all of you speak to your federal counterparts in your respective political parties and that you would offer that support. Family caregivers are the invisible and hidden backbone of the health and long-term-care system, contributing over \$5 billion of unpaid care.

I understand from the newspapers that the Ontario Medical Association is about to come out in the next six to eight weeks with a recommendation regarding palliative care. I am hopeful that the government will be listening and supportive.

On a more regional basis, I think that we need to build on existing partnerships. I'm the wild card in the crowd who spent 30 years working in the correctional system, so I don't know why we don't use a federal business like CORCAN, put it together with a non-profit like Habitat for Humanity and start to build some prefab residential hospices.

North Bay certainly needs a residential hospice. We only have two in the entire northeastern region, and the northeast has the highest mortality rate in the province. I think we need to look at other models besides the 10-bed residential model. There are existing three- and five-bed residences in the province, and we might want to look at that for rural northern Ontario.

North Bay could, from a population basis, use a 10-bed residence, but I'm going to tell you, having been the probation officer in places like Mattawa and Sturgeon Falls, that they don't want to travel to North Bay for their palliative care residence. They want it in their own community, and they don't necessarily need 10 beds.

My favourite hobby horse: If you can take tax money off of gas for road maintenance, then would you please look at probate taxes and the HST for funerals and redirect that money to the service of palliative care and

long-term care for dementia? More and more, as the population ages, the issues of dementia and palliative care will become intertwined. You're dealing with the same people, so it's symbolic and it's practical to do that.

I want you to continue to support the Partnership Project, and I want you to very seriously consider a piece of legislation that has been sitting on the closet shelf since 1989, called the Unclaimed Intangible Property Act. I want you to seriously look at the British Columbia model, and this is where the holders of property unclaimed, for example, bank accounts that haven't been accessed for a long time—the money is pooled, and it gets sent out to a community foundation, which then distributes it to non-profit agencies to continue to deliver their services. In North Bay, that would be the North Bay and Area Community Foundation, which was spearheaded by the late Jack Burrows.

My most important recommendation: Do not impose a 10-cent tax increase on fuel. Over and above the burden you will impose on the most vulnerable fixed-income citizens of Ontario, you severely handicap non-profit organizations. Volunteer time that is spent means that we cover their travel expenses, and, I'm embarrassed to say, not well, because we don't have the funds.

If you increase that tax, then we are likely to lose volunteers who cannot afford to travel in rural Ontario and provide the very free home care services that we provide right now. I very quickly asked at a meeting the other night what that would do to us, and we would probably have to fundraise an additional \$4,000 or \$5,000 out of this community just to cover the travel expense increase.

Those are my recommendations. Again, if not now, when? Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Wonderful, Betty. Thank you very much for coming this morning. Thank you for changing your time to accommodate us. That was nice of you.

Any questions will come from the NDP. Michael, you've got about five minutes—

**Mr. Michael Prue:** Catherine.

**The Chair (Mr. Kevin Daniel Flynn):** Or Catherine.

**Ms. Catherine Fife:** Thank you very much, Betty. You gave us a lot of data, which is good, and it's well researched. That must be from your trustee days.

1010

**Ms. Betty Dean:** I suspect it has to do with my college professor days.

**Ms. Catherine Fife:** One of the ideas that is quite interesting for me is the pairing of CORCAN and Habitat for Humanity around prefab residential hospices. The provincial hospice association has not seen an increase in funding for a long time, and they have a very strong economic case for helping people essentially die with dignity. There's a good economic rationale for dealing with people with dignity at the end of their life.

Can you comment? Are any other sectors forming this kind of a partnership, especially around the prefab residential piece, that you know of?

**Ms. Betty Dean:** No. Actually, the only conversation I had is that—and you can appreciate that after spending 30 years in the criminal justice system, I'm pretty familiar with federal corrections, although I work provincial, I know that CORCAN exists, so one day I just simply emailed the local chair of Habitat, John Humble, and said, "So this is a wildcard. You service families, so extend that thought for me and bear with me." I said, "If we got CORCAN to prefab a residential hospice, would Habitat help us build it?" He said, "Well, it's interesting you should say that, because Habitat for Humanity has an existing arrangement with CORCAN," one that I didn't know about until he told me that.

Then my supplementary question to him was, we're so fixated on the 10-bed that the concept of three- or five-bed doesn't usually enter into the discussion. Again, I'm not a mathematician, but if it takes \$6 million to build a 10-bed residence, why wouldn't we be looking at buying an existing house? Renovate it, even if you have to put the bedrooms on the main floor for the palliative patient. Use the upstairs for your office admin or your nursing staff. Have itinerant medical teams, and have volunteers basically operating the house. You can put more than 10 beds out there in rural Ontario for that \$6 million.

**Ms. Catherine Fife:** Absolutely. You referenced Napanee and Huntsville.

**Ms. Betty Dean:** Yes.

**Ms. Catherine Fife:** Are there examples of this in that—

**Ms. Betty Dean:** Yes. There's a five-bed residence right now in Huntsville. All I know about Napanee is—because if you come from corrections and you talk group homes, you talk 10 beds.

**Ms. Catherine Fife:** Yes.

**Ms. Betty Dean:** I was at the conference and the lady to my left says that she's opening up a three-bed residence in Napanee. The great skeptic in me said, "Three beds? Is that economically viable?"

Yet when you start to think about it, depending on the core volunteer group that you can engage to go in and help operate those three- and five-bed residences, it's just a different way of doing business, and it would put the beds, I think, more where they're needed strategically.

**Ms. Catherine Fife:** Yes, I totally agree. Thank you for bringing these two examples. We'll take them back, okay?

**Ms. Betty Dean:** Thank you very much.

**Mr. Michael Prue:** How much time left?

**The Chair (Mr. Kevin Daniel Flynn):** Mike, you've got two minutes.

**Mr. Michael Prue:** Two minutes. Okay.

The non-profit sector: I'd like to get back to that, and the statement made by Ms. Wynne. It seems to me that the non-profit sector has been left out of the equation for quite a while.

**Ms. Betty Dean:** That would be my opinion too.

**Mr. Michael Prue:** Yes. The government has been in there for 10 years. Is this an about-face? Is this something new? Because I've never heard this mentioned before.

**Ms. Betty Dean:** Until I started to research this—truthfully, I whined to the mayor and copied Mr. Fedeli's office about the tax increase for gas and the fact that the media didn't seem to have focused on the fact that non-profits contribute as much to the economy. It didn't even look like we were invited to the meeting with Minister Sousa when he was in town, but I couldn't tell that.

So I started my research about a week ago. You know, YouTube is wonderful, if you can get away from the political cynicism that's there. There is Premier Wynne's speech to the Ontario Nonprofit Network. She has actually made the Minister of Citizenship and Immigration responsible as sort of the go-to place for the non-profit sector. When I read the economic information that these other organizations provide, it says to me we might better have been placed with—I don't know—the ministry of economics or something. We contribute that much to the economy.

**Mr. Michael Prue:** Well, exactly. I mean, the Ministry of Citizenship and Immigration is probably one of the smallest ministries in the entire—

**Ms. Betty Dean:** Yes, 30 years in the civil service told me that one.

**Mr. Michael Prue:** Yes, and with one of the smallest budgets.

**Ms. Betty Dean:** Yes.

**Mr. Michael Prue:** It seems to me that the bang for the buck that we get—every dollar that is given to the non-profit sector is magnified, like, 20 or 30 times in terms of service and money going to the community. These have been said, but I've never seen any government action, other than Ms. Wynne's statement, to indicate they are even remotely interested in it.

**Ms. Betty Dean:** On the back of my report, I downloaded the progress report. You can see what movement the government feels it has made with regard to dealing with non-profits. It's the best I can offer on about a week's notice.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much for coming this morning, Betty. It was appreciated. Thanks for your report.

**Ms. Betty Dean:** Thank you.

#### CANADIAN BEVERAGE ASSOCIATION

**The Chair (Mr. Kevin Daniel Flynn):** The Canadian Beverage Association is up next: Jim Goetz. Good morning, Jim. It's good to see you again.

**Mr. Jim Goetz:** Good morning.

**The Chair (Mr. Kevin Daniel Flynn):** Like everybody else, you get 15 minutes. Use that any way you see fit. Any time left for questions will come from the government this time.

**Mr. Jim Goetz:** Thank you, Mr. Chair. My name is Jim Goetz, and I am the president of the Canadian Beverage Association. Let me begin by expressing my gratitude for the invitation to appear today as part of your pre-budget consultations.

The Canadian beverage industry—I should clarify that we represent the non-alcoholic, non-dairy sector of the

beverage industry—makes a substantial and ongoing contribution to the economic life of Ontario. Our member companies provide direct employment for some 5,000 Ontarians, some right here in North Bay, and are responsible for thousands of additional indirect jobs throughout the province. I should add that the vast majority of those jobs are unionized, with good benefits and solid pensions.

Ontario is also our industry's largest Canadian centre for manufacturing, distribution and sales. In total, we have more than 50 facilities province-wide. I want to underscore that fact, because at a time when Ontario is working hard to renew its competitive position as a manufacturer, our industry remains a reliable partner.

And that's not nearly the whole of our economic contribution. Our members are also one of the largest blocks of customers for corn products, creating vital demand for Ontario's corn farmers. They are also the country's largest purchasers of package aluminum and PET plastic.

Our involvement doesn't end with the sale of our products. Our members are also active participants in recycling programs across the province and, in fact, across the entire country, and are actively involved in identifying new packaging innovation and driving technological development.

Finally, our members oversee extensive vehicle fleets that create demand for steel, manufacturing parts and, of course, vehicle production and assembly right here in Canada.

Of course, our contribution is realized in not only commercial, but also community terms. CBA members are dedicated to the places where we live through a wide variety of local causes, including the United Way, the Special Olympics, ParticipACTION and the building of local play structures in communities.

We're proud of these contributions, but we're also aware that, as an industry, we bear important responsibilities. I want to assure each member of the committee that we take these obligations very seriously, especially when it comes to offering consumers a healthy balance of beverage choices. In particular, we go to significant lengths when it concerns children and the consumption of beverages.

For that reason, CBA members have voluntarily adapted guidelines to prohibit the marketing of any beverages except 100% fruit or vegetable juice, milk or water to children under the age of 12. We have also removed all full-calorie soft drinks from primary, middle and secondary schools. Finally, we've implemented our Clear on Calories campaign, which greatly increases the front-facing, on-label nutrition information for our products. Clear on Calories gives parents what they're looking for when it comes to making informed decisions for themselves and for their families.

Before concluding, as the committee that is empowered to consider and report to the Legislature its observations, opinions and recommendations on economic policies for the province, I would like to draw your attention to two issues of concern that have the potential to negatively and unjustly impact our members' ability to operate in Ontario.

First, the Healthy Kids Panel report: The CBA embraces the goals of the Healthy Kids Panel and we endorse many of the report's recommendations and conclusions. We cannot agree, however, with the unique position that beverages appear to hold in the report's summary and its recommendations, namely the assertion that sugar-sweetened beverages are uniquely responsible for rising rates of obesity among children and that their location of sale must be regulated in order to address this issue. The first is simply not true, and the second is not a solution and will only result in increased economic challenges for a wide variety of businesses.

## 1020

Based on the mountain of scientific studies and examination of the obesity issue, there is very little to suggest that the report's conclusion is accurate. Health Canada openly refers to the causes of obesity as complex, pointing to eating habits, daily physical activity, and broader social, environmental and biological determinants.

Let me highlight two key facts. First, as concerns over rising obesity rates have increased and groups have aggressively tried to link obesity to soft drink consumption, something interesting has been happening: Soft drink consumption has been declining. In fact, according to StatsCan, between 1999 and 2012, soft drink consumption declined by 35%. So if our members' products, as suggested by the Healthy Kids Panel report, were uniquely linked to obesity rates, then we should be seeing something dramatically different. We should be witnessing matching declines in the incidence of obesity in Canada, but we are not.

Second, according to the 2004 Canadian Community Health Survey, which also refers to the total calories consumed by Canadians, soft drinks account for only 2.5% of those calories. In fact, Canadians get approximately the same amount of calories from salad dressing as they do from soft drinks. Moreover, because, as we've just heard—consumption has been dropping in recent years—the current true figure would lie somewhere around 2%.

Our second issue is the panel's recommendation on point-of-sale restrictions, beginning with our members' products, which are specifically called out for a restriction. This restriction would create significant hardships for many retailers and would negatively impact their revenue stream and ability to do business. We have been told by small retailers that this isn't an option for many of them, as most just don't have the space in their stores to accommodate recommended restrictions. They have also told us that restrictions would result in lost income and lost jobs in an already difficult economy.

It's also a matter of resources for the province. If such a point-of-sale restriction was brought forward, you would actually have to have some kind of enforcement of exactly how far our products are being sold from the point of sale, and we think that that would be incredibly hard to enforce.

Our second key concern is with Bill 91, currently before the Legislature: the Ontario Waste Reduction Act. While the beverage industry supports the government's goal of increased producer responsibility and increased recycling rates, we believe the bill in its current form is not the best solution for improving waste reduction.

As the bill currently stands, the beverage industry and other industries may have to shoulder up to 100% of the financial responsibility for the programs, but would have absolutely no input into how the program is run or managed. As businesses, we know that this is not the way to get the best results in any situation.

We ask that the beverage industry have input and control over the waste reduction programs equal with our financial contribution if Bill 91 was to proceed. Effectively run programs, which we run in all other provinces across the country, ensure better results, greater growth in employment, and more overall responsibility. And in the end, we are all better off for that, due to higher recycling rates.

I want to emphasize: We recognize that we must be part of a shared effort, and we're very committed to doing our part. But remedies that arise from a misreading of the true challenge will only turn out to be a lose-lose scenario. At the CBA we're more than prepared to keep working in partnership with the government in order to pursue these goals.

I want to thank you again for the opportunity to appear. I look forward to your questions.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Jim. You've left about five and a half minutes. Let's start with Donna.

**Mrs. Donna H. Cansfield:** Thank you very much. Thank you for your presentation. Also, thank you for the work that the beverage industry has done in terms of addressing some of the issues around children's advertising. I think you should be applauded for that work.

I think you're about 70% in Ontario—recyclable. So you certainly have done a very good job. Some of the other provinces are a little bit higher. I presume you've got some goals in mind in terms of what you'd like to do in terms of recycling. Could you share that with us?

**Mr. Jim Goetz:** We have a program which we've brought forward in Manitoba, where we voluntarily set a goal of 75%. Since that program was brought forward three years ago, we have seen the recycling rate for beverage containers, specifically, rise from 42% to 53% over two years, which is one of the largest non-deposit systems increases in recycling that has ever occurred in Canada. Again, if a system is structured properly, those are the same kind of goals we'd be looking for here in Ontario.

**Mrs. Donna H. Cansfield:** And there, you do have a say in terms of how that occurs?

**Mr. Jim Goetz:** Yes, we do.

**Mrs. Donna H. Cansfield:** I think that's a good example. I've heard from many folks, and I think others have on the committee, around the Waste Reduction Act and the 100% and the lack of involvement. So I encour-

age you to make sure that the Ministry of Environment, which has responsibility—and those of us who are hearing this will take this back to him as well.

I was really interested in your statistic—there is a huge issue around diabetes, and my friend here who comes from the health industry is well aware of this. I was fascinated with the fact that your numbers have gone down, while obesity has gone up. I didn't realize that.

But I also would like to ask you a question, and it's probably a political question in a way. I think that, yes, there is a responsibility on behalf of government, and I think there's a responsibility on behalf of the beverage industry, but I also think there's a responsibility on behalf of parents and of individuals themselves in the choice they make. So what do you think?

**Mr. Jim Goetz:** Just to start with your point about consumption, unfortunately, a lot of times, we in Canada are associated with consumption rates in the United States when it comes to full-calorie beverages. Consumption is very different in Canada as compared to the United States, so I'll start there.

Second, to your point about consumer choice, there's no other industry out there in kind of the consumable world that offers Canadians as much variety, in the beverages that we produce, as the beverage industry, from bottled water to waters with a slight amount of flavouring in them to low- and no-cal beverages to those for folks who want to consume full-calorie beverages as part of their diet. That is why we initiated the Clear on Calories campaign to make sure people know. It's the first of its kind, where it's not just an individual company program; it is across a lot of companies that are very fierce competitors, but they came together to bring this program forward.

So there is individual choice. Our industry strives to give Ontarians and Canadians as much choice in their beverages as they can, and there is a responsibility for parents to make sure they choose the beverages that best fit their family and their lifestyle.

**Mrs. Donna H. Cansfield:** Thank you very much.

**The Chair (Mr. Kevin Daniel Flynn):** Go ahead, Soo. Two minutes.

**Ms. Soo Wong:** Thank you very much for your presentation. I did sit on the Healthy Kids Panel. As you know, the Minister of Health made the request that this panel be struck, and the panel advises the government. Not all the recommendations, as you know, have been implemented by the government. Certainly, there has been extensive research, and there were lots of experts from the Hospital for Sick Children and internationally who have contributed to this report. Whether the government will be implementing the recommendation of the panel is still being discussed right now, but I can tell you that the government, along with the health sector, are very concerned about the rising rates of childhood obesity, and we're looking at everything.

We also recognize and support the statement by Health Canada that obesity is a complex issue. It's a life-style issue. It's genetic as well. Multiple factors contrib-

ute to obesity. So liquid consumption like beverages is not conclusively associated with obesity, but certainly the panel made its recommendation after months of review with experts. I just want to put that to your comments, okay? It advises the government; whether we take their advice is another issue.

We have rolled out a number of recommendations, in terms of last week Minister Sandals, about funding healthy kids in terms of high school nutrition programs, and proper labelling in terms of fast food, as the Minister of Health talked about recently. But all the recommendations are being advised to the government; not all, potentially, are going to be implemented, I just want to say.

I do also want to echo my colleague Donna's comment about supporting your industry in terms of your leadership in recycling.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you for coming today, Jim; very good presentation.

**Mr. Jim Goetz:** Thank you very much.

1030

#### COMMUNITY COUNSELLING CENTRE OF NIPISSING

**The Chair (Mr. Kevin Daniel Flynn):** Our next presenter this morning is from the Community Counselling Centre of Nipissing. That would be Alan McQuarrie. Alan, please come forward and make yourself comfortable. You have 15 minutes, Alan, like everybody else. Any time left over will go to the Conservative Party.

**Mr. Alan McQuarrie:** Okay. Thank you. I want to thank you for the invitation this morning to come and present to the standing committee. It's an honour to be able to be here. My name is Alan McQuarrie. I'm the executive director at the Community Counselling Centre of Nipissing. I'm also the co-chair of the addictions and mental health committee here in Nipissing, and I'm speaking on behalf of the table as well as on behalf of our agency this morning.

I want to start by thanking you for the opportunity to speak during the pre-budget consultations. Governments are focused on the issues of job creation and improving services to people while eliminating the deficit. As a member of the social services sector that receives provincial government funding, I am convinced that strategic investments in the community mental health and addictions sector will help government to meet those goals.

If we are to make meaningful progress in improving our social determinants of health, and hence employment, we need to support and build our community-based addictions and mental health systems. The 2010 annual report of the Chief Medical Officer of Health to the Legislative Assembly of Ontario concluded with the statement that "Good health starts long before we visit doctors. It starts in childhood, in our homes, in our schools, our workplaces and our communities. Health care systems exist to help people after they get sick or injured. This conversation needs to be about giving

Ontarians a head start on good health, and preventing them from getting sick or injured in the first place."

In Nipissing, we have a network of nine community-based agencies. We're working to provide housing, peer support, counselling, addictions treatment and community integration. Guided by the North East Local Health Integration Network, these agencies touch the lives of thousands of people in the Nipissing district alone. Investments by our government in strategic community initiatives result in gains in employable individuals.

Keeping people healthy starts in the community. Community organizations are strategically placed to connect with people before they need the hospital.

The usual stereotype for community and provincially funded programs is that there are too many, that these organizations don't work well together, that these organizations have administrations that are expensive and redundant, that diversity in the social services field is synonymous with inefficiency. The truth, however, is very different. The innovations of our community service partners are not always well known. However, they are serving our populations in new and creative ways, increasing the health and work-readiness of our citizens like never before.

I would like to share some of the accomplishments of our mental health and addictions systems agencies in Nipissing, if you'll spare me the time. In 2012, the People for Equal Partnership, a local agency here in North Bay, began a unique program in conjunction with North Bay Regional Health Centre, putting a peer support worker in the hospital emergency room. Now people with a mental illness have an advocate and an ally when they arrive at the hospital. Often, the peer advocate can improve the quality of care and redirect people to community resources instead of repeat, expensive hospital visits.

The common referral program is another joint initiative, consisting of many agencies that coordinate addictions and mental health referrals each month. These are triaged and, in many cases, fast-tracked, again, to community services where they receive support outside the ER.

The community counselling centre, my agency, has implemented a walk-in clinic since mid-September. Statistics show that 18% of 76 people responding to surveys have said they would have used the ER or a doctor if the walk-in service were not available. The walk-in clinic is a creative way to eliminate barriers of access such as wait-lists.

The Canadian Mental Health Association, Nipissing Mental Health Housing and Support Services and People for Equal Partnership in Mental Health have been attending the Gateway Community Mobilization HUB meetings—some of you may have heard of that—which is a new local initiative to wrap-around services to high-risk clients, thereby reducing the need to attend the ER once again.

The Canadian Mental Health Association employs a court diversion worker who coordinates referrals to Hands, the Family Help Network, lessening the potential load on the ER.

The North Bay Recovery Home continues to provide an ongoing after-care program that supports the continuum of care.

We have a No Wrong Door initiative, which enables cross-referrals for the overall health and wellness of heavy users and recurring users of the addiction and mental health system.

The recovery home is co-chairing the North Bay and Area Drug Strategy Committee and is developing a local protocol for the return of used fentanyl patches, thereby reducing the medical emergencies that might arise from misuse.

The local alliance centre is partnered with two other non-health-funded agencies during Addiction Awareness Week to present community education in the area of trauma, mental health and addictions.

North Bay Regional Hospital this year hosted a Photo-Voice event to promote mental health and to highlight community mental health services as a diversion from the ER.

Nipissing Mental Health and Housing Support Services has a shared MOU with crisis intervention services, North Bay Police Service and the OPP which allows for shared, facilitated interventions and consistent follow-up to prevent recurrent presentations to the hospital ER.

Nipissing Mental Health and Housing has established a respite unit as part of the Percy Place residence, offering clients brief respite from their current living arrangements, or who may be temporarily without housing. Supports accompany the client to ensure successful tenancy in the unit.

The list goes on and on of all the various ways that community and mental health agencies have worked together to support the community.

I'd like to finally highlight the 416 Lakeshore project, which is a partnership of the Canadian Mental Health Association and North Bay Regional hospital. The 416 Lakeshore property houses 20 people who do not have anywhere else to live. Many of these people are dealing with mental health issues, addictions, social isolation and traumatic events, and have difficulty accessing many of the supports that most of us take for granted. The 416 Lakeshore property is more than housing: It provides a community of care and support and it provides people with the means to live independently and achieve their goals.

These are just some of many joint innovations that are currently or recently in the works. A closer look at the community mental health and addictions system shows a network or an ecosystem of dynamic, creative agencies working together to find new and better ways to improve the health of our citizens.

An Ontario budget that maintains and improves the capacity of our services is an investment in the health and viability of our economy. Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Very good; thank you very much, Alan. Thanks for what you do for the community. You've left about six minutes. Vic.

**Mr. Victor Fedeli:** Alan, thank you very much for a wonderful presentation. Thank you so much to you and

your staff for everything you're doing in the community for those in need. It's a remarkable organization. In the very few minutes that you've presented here, you've painted quite a wonderful picture.

First of all, do you have a copy of your presentation that can be left with the Clerk for distribution to the members?

**Mr. Alan McQuarrie:** Yes, I do.

**Mr. Victor Fedeli:** I couldn't write everything down as fast as the information was flowing, and I think some of it's very important to share with everybody.

You gave some wonderful examples, especially your last one about 416 Lakeshore. I think the message that I got out of here when you spoke of the nine agencies, Alan, is this collaborative effort; that nobody works individually. I have found in this sector that nobody is working in silos, that everybody is sharing. Do you think that's unique here in North Bay, or is this something that you would find is characteristic of all communities?

**Mr. Alan McQuarrie:** It's difficult for me to generalize across the province because my experience is here in North Bay. I do know that sometimes in northern communities, creative solutions come about just because of a scarcity of resources and the increased familiarity that we have with each other just from being citizens of a small community.

I can say that the emphasis has increased. The local health integration network has created an emphasis on integration of services. I think that was already there, but it has also built that momentum to push forward.

1040

I also think that concept of an ecosystem of specialization that you don't get in a mammoth organization, but you get in the smaller community agencies, where they're able to partner together and to meet the niche needs of special populations, is so important, and so you get that in our community.

**Mr. Victor Fedeli:** Alan, you've thrown some names out here that may not mean anything to the others: PEP, Hands—these are the groups that are collaborating—and, as you said, the PEP group came out with the peer support worker who is an advocate in the emergency room, which I think was just one of the greater programs; again, 416 Lakeshore with DSSAB getting involved and all of the other groups getting involved.

What I'm going to suggest, and what I'll ask you—and I'm presuming this is already well under way with either you or all of those other DSSABs, PEPs, Hands, these best practices. I'm very proud of what you have done and what the organization has done here in North Bay and in Nipissing over the last years, whether it's since you came on some years ago, or the work of your predecessor.

I find that they truly are best practices. Are you sharing these best practices with other organizations who are funded such as yourself? And are you learning other practices from them, Alan?

**Mr. Alan McQuarrie:** I think there's a little bit of both happening. Many of our agencies belong to provin-

cial tables. For example, community counselling centre belongs to Family Service Ontario, which is an association that works through the entire province. We have networks. We have a northern regional network that meets regularly and communicates, so we're able to share these best practices.

You may be aware that the Ministry of Health identified the Thunder Bay walk-in counselling clinic as a best practice as it partnered with the children's mental health agency in Thunder Bay. That was an initiative that was sort of groundbreaking, and so it was instrumental in us bringing in a walk-in clinic to North Bay. So I think that's a good example. I think it's happening in most of the other agencies.

**Mr. Victor Fedeli:** Alan, we're here in northern Ontario today, and I know that they're enjoying the fresh air out there—

**Mrs. Donna H. Cansfield:** And a cookie.

**Mr. Victor Fedeli:** And Patty's homemade cookies, by the way. What would you say if you had one minute to tell us—what would the real differences be in working here in the north in your field compared to your past history, for instance, or other communities in the south? What's the difference that we face here?

**Mr. Alan McQuarrie:** I think Nipissing has some challenges. I think there's been some research done to show that the rates of obesity, the smoking rates, some of the chronic health conditions, are higher in Nipissing, so it requires that approach. We have higher levels of mental health and developmental disabilities. There seem to be higher needs here. I don't think I'm being unfair in saying that.

So we're having to find unique solutions that generate solutions in a cost-effective way, because we may not have the resources to deal with them in Nipissing that exist in other more better-resourced areas. Sometimes mandates limit us a little bit, but we're having to blur those a bit and stretch and work collaboratively to reach solutions here.

**Mr. Victor Fedeli:** Again, in my remaining seconds, all I can say is thank you again so very much for the work that you and the other agencies are doing, Alan. The difference is amazing and enormous, and we're just so very, very proud of the work that you do.

**Mr. Alan McQuarrie:** Thank you very much.

**The Chair (Mr. Kevin Daniel Flynn):** Alan, thank you very much for coming today. It was appreciated.

#### NORTH BAY LITERACY COUNCIL INC.

**The Chair (Mr. Kevin Daniel Flynn):** Our next presenter this morning is Jane Jackson from the North Bay Literacy Council. Jane, if you'd like to come forward. Get yourself settled; make yourself comfortable. You have 15 minutes, like everybody else. If you do leave any time, this time the questioning will come from the NDP.

**Ms. Jane Jackson:** Thank you very much. Unfortunately, I didn't bring copies of my presentation, but if anyone's interested, I'm able to email them after.

Thank you very much for the invitation to come and speak to the committee today. I'm really pleased to be here.

My name is Jane Jackson and I am the executive director of the North Bay Literacy Council. We are a community-based literacy agency providing literacy and basic skills to adults in our community. We have been providing this service for 35 years. We are funded, in part, by the Ministry of Training, Colleges and Universities. I do say "in part" because we still need to fundraise annually to meet our budget.

I was very pleased to hear Betty Dean's presentation about the value of volunteers in our community. We have two and a half paid staff, and the half paid staff is just brand new because of a small increase that the ministry gave us to provide our services. But the majority of the people who work with us are volunteers, and we have 50 to 100 volunteers every year. Every year, when we kept track of all our hours to present to the ministry, I would send a notice to the paper, because our volunteers provide thousands of hours, and all of those hours added up to, at that time, over \$100,000 annually to our community. At that time, we were receiving less funding than that. Our volunteers were providing more than the funding we were receiving. So our volunteers are the mainstay of our organization. They are our volunteer tutors, our volunteer board, our volunteer receptionist, and without them, we wouldn't be able to exist.

On December 16, just before our agency left for Christmas vacation, we received a notice from the Ministry of Training, Colleges and Universities with an update on the negotiations between the province and the federal government regarding the labour market agreement. This agreement, which partially funds programs such as Second Career, employment benefits for persons with disabilities, training for immigrants, apprenticeship training, and literacy and basic skills, expires on March 31, 2014.

Our notice stated, "Any changes to funding or program eligibility in these agreements could significantly affect the delivery of Employment Ontario services across the province. While no decisions have been made, this could mean that any current or future agreements between your organization and the Ministry of Training, Colleges and Universities to provide employment and training programs could be impacted or even terminated."

The North Bay Literacy Council participated with over 100 other community-based, non-profit, volunteer agencies to write letters to Minister Kenney about the serious concerns we have for our programs if the federal government goes ahead with their plans to instigate a new training system and cuts funding to the provinces. As a community-based literacy agency, we know the issues facing employers and we work with labour market groups all across the province and in our communities on an annual basis to learn and understand their concerns. We also know that many, if not most, small businesses in our community do not have the necessary resources to

deliver their own training, much less take on the needs of the community's unemployed.

We understand that Ontario citizens need more training because of the rising rates of unemployment in Ontario and across the country, but we also know that "the expectation that all unemployed people are instantly ready to pursue training leading to a qualification and jobs is not realistic. Basic literacy skills are often the initial requirement.

"Without programs to increase the basic skills of people with low levels of literacy, systemic unemployment and underemployment will persist among those with low literacy skills and education levels."

That was part of the letter that we sent to Minister Kenney.

According to the report Skills in Canada: First Results from the Programme for the International Assessment of Adult Competencies, which is known as PIAAC:

—47% of adults in Ontario do not have the literacy skills they need for home, work and life;

—15% of Ontarians are at level 1, meaning that they struggle with very serious literacy challenges and have trouble reading even the most basic text;

—32% of Ontarians are at level 2, meaning they have very basic literacy skills but that these skills are inadequate to meet the demands of today's society;

—22.4% of Canadians between the ages of 25 and 64 do not have a high school diploma, and I can tell you those levels are higher in northern Ontario and north-eastern Ontario.

I think the last Stats Canada report that I looked at said that 29% in North Bay do not have a grade 12 diploma. In an outlying area in Mattawa, it was almost 47%.

## 1050

The North Bay Literacy Council's third-quarter statistics that we just provided at the end of December to our ministry—Training, Colleges and Universities—indicate that 101 adults have received services through our agency for the period of April 2013 to December 2013; 50% were male and 50% were female. Thirty-nine is the average age of a person attending our agency. The largest group is the 30- to 44-year-olds. Some 30% are in receipt of Ontario Works; 67% have grade 11 or less, and 27% have grade 8 or less.

We are asking that the ministry continue to keep literacy and basic skills as a priority and that you continue funding, because all too often, those who already have basic skills are the beneficiaries of government-sponsored training programs, and those with low skills are always left behind.

That's the end.

**The Chair (Mr. Kevin Daniel Flynn):** Wonderful, Jane. You've left a lot of time for questions. Michael or Catherine, about seven minutes.

**Ms. Catherine Fife:** Thanks, Jane, for your presentation. It's a common theme that we're hearing across the province: Those older workers who have transitioned out of, for instance, the manufacturing sector without high literacy or sometimes even basic literacy are really strug-

gling just to survive. They have to lose everything in order to access help. I think we would concur that the smart money is on retraining and literacy, and there's good value there, as you point out.

Your presentation also supports Betty's—the value of volunteerism. I certainly think that there is a role for government to incentivize and support that level of volunteerism.

Can you just touch a little bit more on this labour market agreement? Bad timing—right?—before Christmas: That's not the kind of gift you want. To suggest that potentially termination is an option is certainly not good news. This is a federal-provincial partnership. Why don't you tell us a little bit more about that agreement so that we can have a takeaway from that particular part.

**Ms. Jane Jackson:** I'm not an expert on the labour market agreement. I've been working with our provincial networks, which are the leaders in speaking with the government about the labour market agreements. It's transfer payments from the federal government to the Ontario government, and the federal government wanted to develop a new jobs grant. In order to fund that, they were going to take, I think it was, \$600 million out of the transfer payments. In Ontario, that trickle-down effect is what would happen to our agencies.

What we're looking at as a community-based agency funded by our ministry is that a lot of those programs are already in effect in the province of Ontario. If those programs are cut, all that trickle-down effect is going to once again hurt the community-based agencies. We're already the poor cousins of the college and the university programs, which receive more funding than we do, naturally, because they have larger populations of students. But what our community-based agency is saying is that just because someone is unemployed doesn't mean that they're going to be able to go and take an apprenticeship program or something like that. Probably the literacy needs need to be looked at in the first place if they're older.

**Ms. Catherine Fife:** Just by way of a story, the driver who took me to the airport yesterday was 72 years old. He went through the program to try to get another career because he still has to work at that level. But it was actually literacy that kept him—because it would be such a lengthy process to acquire the basic literacy skills in order to go into a trade. At 72 years of age—he said that he should be retired, but it's just not a possibility.

But the Second Career programming has the research that's evidence-based; it works. We do have a growing issue in this province around older workers who are just not in a position to ever retire, which is a very sad state of affairs.

So, March 21 is the deadline when you'll find out whether or not the labour market is going to be renewed in its current phase. We think that there are going to be some changes to that, so we'll keep an eye out for it.

**Ms. Jane Jackson:** That would be great.

**Ms. Catherine Fife:** Thank you for making a very good case for continued support for literacy and retraining.

**Ms. Jane Jackson:** Thank you. I just would like to make a comment. We've had over-60-year-olds who have been coming to our agency in the last little bit looking for computer skills because when they're trying to apply online, everyone says to attach your resumé. Well, a lot of seniors, first, don't have computers, and if they do, they probably know how to use Facebook or send an email, but they don't know how to attach their resumé to their file to apply for a job. So that is something that we do that is basic. We need to continue to support literacy and basic skills.

**Ms. Catherine Fife:** Yes, that's a good example. Thanks for sharing that.

**The Chair (Mr. Kevin Daniel Flynn):** Michael, you've got about two minutes.

**Mr. Michael Prue:** Two minutes? My question is a very simple one. You are here and you didn't talk about a specific amount. This being the finance committee, we always deal in dollars and cents. Are you just seeking to have your funding continue, or are you seeking to have additional monies brought forward? I didn't actually hear that in the deputation.

**Ms. Jane Jackson:** I would love to take any additional funds that you would have. It would save us trying to fundraise in our community. As I said, we consider ourselves, jokingly, as the poor cousins of all of those programs. Our ministry did give us a small increase last year because I've been after them for I would say 14 years, that no one ever reads—oh, I don't want to get started.

Our business plans are not really business plans; there's not a dollar amount attached to how we receive funding. We receive funding as a lump sum of, "Here you go. This is your portion," and not on what it is that our budget requires. So right at this very moment, we are very happy with the funding that we're getting. I would never say no, because we can always do more. We still fundraise to provide programs. Another \$50,000 would make us happy, and we would never ask for anything again.

**Ms. Catherine Fife:** That's going to be in Hansard, you know.

**Mr. Michael Prue:** And that's good.

**Ms. Catherine Fife:** That's a good thing.

**Mr. Michael Prue:** Okay, so you're looking at, if you could get a very small amount of money—

**Ms. Jane Jackson:** If we would have an increase—right now, with the labour market agreements threatening our funding, I would say let's just try to keep the status quo and keep the programs that we do have, specifically for us in North Bay, because we have a higher need. Illiteracy rates are higher in the North, but for all of Ontario we need to keep the funding for all of those programs.

**Mr. Michael Prue:** And how much is your budget right now? How much do you get?

**Ms. Jane Jackson:** It's \$150,000 a year.

**Mr. Michael Prue:** Okay, so for another \$50,000 you could do everything?

**Ms. Jane Jackson:** Oh, we would do a lot. We would do a lot.

**Mr. Michael Prue:** Okay. That would be my question. Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much for coming today, Jane. It was appreciated.

**Ms. Jane Jackson:** Thank you.

#### ONTARIO COUNCIL OF HOSPITAL UNIONS

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation this morning is from the Ontario Council of Hospital Unions. Michael Hurley, if you'd like to come forward? Welcome to the committee.

**Mr. Michael Hurley:** Thank you very much.

**The Chair (Mr. Kevin Daniel Flynn):** You have 15 minutes, like everybody else. Use that time as you see fit. Any questions this time will come from the government side.

**Mr. Michael Hurley:** Thank you very much for the opportunity to present this morning. Thank you very much for travelling to different communities across Ontario. It's much appreciated, I'm sure, not just by us but by all citizens, to have the opportunity to make presentations closer to home.

My name is Michael Hurley. I'm the president of CUPE's Ontario Council of Hospital Unions. We have about 30,000 members across Ontario, including here in North Bay at the North Bay Regional Health Centre, and at Mattawa and many other communities around this one. We really welcome the opportunity to talk about the provincial budget, and in particular, we'd like to focus on the push of procedures from acute-care hospitals into privately operated surgical clinics.

1100

Two regulations were adopted by cabinet in the late months of 2012 to facilitate the transfer of these services, and we wanted to raise that as a significant concern. First of all, the Ontario hospital system, as you know, is already the most efficient hospital system in Canada. It has the fewest number of beds to population, the fewest staff for those beds and the shortest lengths of stay; it costs \$151 per patient less than any other province and has the least capacity of any country with a developed economy in the western world, so it's already a highly efficient system with good health care outcomes.

The movement of surgeries to private clinics will have some predictable consequences, according to the Canadian Medical Association Journal. For example, higher death rates could be predicted, and also higher costs—not only higher costs for the taxpayer directly in terms of the provincial subsidy, but also higher costs in terms of user fees; for example, the surcharges by endoscopy clinics in Ottawa, which were illegally billing members of the public about \$100 for non-medically-necessary services.

Those fees may seem insignificant, but, in fact, for most members of the public, \$100 is a lot of money. There is not supposed to be any financial disincentive to

receiving medical care in Canada, and certainly not in Ontario. For some people, they will have to choose between having an endoscopy done, for example, or paying \$100.

Most people are not going to be fierce advocates—I doubt I could be—to get my \$100 back upon learning that that charge violates the Canada Health Act. These private clinics, especially operated on a for-profit basis—the Canadian Medical Association Journal found, looking at dialysis clinics, that dialysis clinics had a 2% higher death rate, which, for Ontario, would come out as a significant number of people. The reasons for that were because those clinics in private hands skimped on the use of professional staff and also skimped on blood-cleaning products—diluted them to maximize profits.

That's a natural consequence, unfortunately, of delivering health care through a for-profit system. Of course, enabling the creation of private clinics, even initially on a not-for-profit basis, creates the vehicle by which corporations can come into Ontario to buy up these services.

The stability of community hospitals, like this one here in North Bay, is threatened by this policy. What has happened in Britain—which has, unfortunately, been an example to Ontario; I'm not sure why, in terms of health care policy—has been that, as these services are skimmed off to specialty clinics—in that case, on a for-profit basis—hospitals are left with the most complex cases because the clinics take the easiest, simplest cases; they're running factories and they achieve profits based on volume. As a result, they struggle financially. In Britain, if you check, you'll find that many British hospital trusts or corporations are in or on the verge of bankruptcy. One of the reasons for that is because much of their work has been siphoned off, leaving them with the most unpredictable, most complicated cases to deal with.

The other consequence of this policy which should alarm the public is the higher death rates. A death rate of 2% may seem insignificant; for Ontario, that would come out at about 900 people a year, which is a huge number, actually, when you think about it. Those deaths come partially because of, as I mentioned, the minimization of the use of professional staff, and also, in the case of dialysis, diluting blood-cleaning products, but also because, inevitably, surgeries have complications, resulting in emergencies.

The United States Congress suspended funding for private clinics for five years because there was a spate of deaths of people who had a medical emergency at a private clinic and died en route to hospital, because, of course, there are no emergency facilities available to treat patients. So we'd really like the province to reconsider its approach to privatization, both in terms of the movement of the public hospitals' surgical procedures to private clinics, and also, its preference for P3 construction.

Ironically, we're here in North Bay, where this community has been saddled with a much more expensive hospital in terms of its construction and ongoing costs than would have been the case had it been built in the

normal procurement manner. Unfortunately, this method of construction is preferred for many hospital redevelopments with the result that, for example, in Oakville, the costs of the new P3 hospital are staggering. They're unbelievably more expensive than the costs of a similar hospital built in the normal way, for example, Peterborough. We're talking many times more, and we've always been under the impression that Ontario did not have cash to burn in this way. We'd like you to reconsider that policy.

Finally, I really encourage the committee to consider whether it's sustainable to continue to deliver home care to Ontarians using the exploited workforce that now is doing that work. Elinor Caplan, charged by the government with reviewing home care services, found there was indeed a 57% annual turnover in caregivers in the home care system. The reason is because, paid at \$12.50 an hour with no guaranteed hours of work, with no mileage—sometimes driving to clients deep in the country an hour or more back—no support for their vehicles and no benefits, these women leave home care to work in the institutional sector whenever they can get a job that pays decently.

Other provinces have dealt with the turnover problem—Quebec has, British Columbia has—by building into their health care systems the expectation that irrespective of where you work, the institutional sector, the long-term-care sector or home care, there is a comparability of compensation. A result of that is that there isn't at all the turnover that occurs in Ontario. We have an unstable system. People don't work, actually, for an agency which has any expectation that it will keep that work for any length of time. If we really want to build in some type of continuity of care for people, we really have to look at how people are compensated. I say that, representing a union, but most of these workers are not unionized. They're not unionized.

It really is, I think, an important policy question for the government and the political parties to come to grips with, inasmuch as everyone's political theory is that we should move people into care in the home whenever that's possible. Then surely we have to provide that care in the home on a continuous basis, because none of our parents, at 85 or 90 years old, who have just learned to be comfortable with a caregiver taking off their clothes and being bathed or having dressings changed or whatever, wants to find out that next week, there's a new person coming in and next month after that, another new person will come in—all because we've built in some system of exploitation, which is really ruthless and completely without parallel in a Canadian context, when you look at other provinces. Sorry to go on.

**The Chair (Mr. Kevin Daniel Flynn):** The time is yours, Michael, to use any way you see fit. You've left about four minutes for questions.

**Mrs. Donna H. Cansfield:** I want to say thank you for your presentation. It was excellent. You raised some really important issues around the whole idea of how health care is going to be shifted and turned around,

because I think it was identified earlier, you can't build enough long-term-care homes; you have to look at alternative methods of care for people, depending on the complexity of their situation.

The whole issue around the PSWs is something that needs to be addressed. I would be interested in your comments around provision of standard of care. I'm a strong proponent that there should be some equalized standard of care and then adjustment and flexibility, depending upon region, geography etc. But have you looked at a standard of care, and have you looked at how—because the PSWs are looking at certification—that process might be accelerated so that in fact we can deal with some of the issues you identify?

1110

**Mr. Michael Hurley:** On the question of PSW regulation, it's also striking that although Ontario has regulated a host of professions—hundreds, perhaps thousands, including swine herders and hairdressers—PSWs are not included in that.

It strikes me that the registry that has been set up for PSWs is meant to provide some sort of cheaper form of regulation so we can in fact continue to exploit this group. I think that group should be regulated. I think, actually, the PSW training program now probably equates to what the RNA program, now RPN, was many years ago, before it was extended.

This is an occupation that does beg for regulation. There should be consistent standards of care—you're absolutely right—and there should be a form of regulation for that care which accords with the kind of regulation that you would expect from any regulated health profession or, in Ontario now, any trade.

**Mrs. Donna H. Cansfield:** Thank you. Then it raises an issue—and I think we heard this from the North Bay health centre—on the transition, as hospitals change, to go into alternate levels of care. Have you any ideas on—because he indicated, in speaking, that you need some time and you need to be able to do this in a way that works. Have you had any discussions with anybody in the hospital sector about this transition of taking the alternate-level-of-care patient out of the hospital and into, let's say, the home or other settings?

**Mr. Michael Hurley:** Well, yes, it's something that's talked about by people who work in hospitals all the time. We did also set up a hotline for the public and encouraged them to talk to us about their experiences.

I think it's important to acknowledge that Ontario already has the fewest hospital beds of any country in the OECD and already is operating at an occupancy rate of around 98%. In Britain, they would consider an occupancy rate of anything over 85% to be dangerous and unsafe. In fact, we have a far higher incidence of hospital-acquired infections as a result of the overcrowding.

I understand this desire to move people out of expensive care and into less expensive care. Theoretically, I think everybody would support that notion. The problem is that, as you know probably much better than me, there is a shortage of long-term-care beds and a difficulty in

placement. Also, particularly in that age cohort, there is a period for recuperation and rehabilitation that is required, and that period of recuperation is made more complicated now by the fact that we have cut back supports in the hospital for physiotherapy, speech-language pathology and audiology such that, for example, someone who has had a stroke, whereas previously they might have had something like 30 visits from a speech-language pathologist to help them learn again to swallow and to speak, now might get one or two visits. The rest of that is privatized.

People in that age cohort in those alternate-level-of-care beds are there for a reason. I'm afraid that they have been targeted as some sort of illicit users of medical services, when in fact most of them probably are winding up there, perhaps for the first time in their life, really needing some kind of medical care and expecting the system to come through for them, and in that age group, it's heartbreaking. It happened to my mother, and I'm sure many of you have had the same experience—it doesn't work out.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you for coming today, Michael. We appreciate it.

**Mr. Michael Hurley:** Thank you very much, Mr. Flynn.

#### NORTH BAY TAXPAYERS' ASSOCIATION

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation this morning is from the North Bay Taxpayers' Association: Miles Peters. If you'd like to come forward, Miles. If you have a handout, we'll make sure they get distributed.

Please have a seat, make yourself comfortable, and perhaps introduce your colleagues. When you speak, if you'd introduce yourselves individually, then the folks at Hansard will know which one it is. You have 15 minutes, like everybody else. Use that any way you see fit. Any questions will come from the Conservative Party. The floor is yours.

**Mr. Miles Peters:** Thank you. I'm Miles Peters.

**Mr. Maurice Switzer:** I'm Maurice Switzer. Honourable committee members, welcome to North Bay. It's unfortunate you brought this frigid weather with you from down south, but we'll live with it; we'll get through it.

My name is Maurice Switzer. I am a member of the North Bay Taxpayers' Association executive. I'm a citizen of the Mississaugas of Alderville First Nation and I'm a taxpayer to the city of North Bay, the government of Ontario and the government of Canada.

North Bay and the Nipissing region have a vested interest in seeing Ontario become a provincial model that encourages entrepreneurship, provides lifelong learning opportunities and practices sound fiscal management.

Northern Ontario's most important resource is not the pieces of rock that lie beneath the surface of our vast land base; it is the people whose daily contributions and experience as teachers, miners, lumberjacks, surveyors,

truck drivers, trappers, shop owners and nurses make this one of Canada's largest and most overlooked pools of skilled labour. If Ontario can help our citizens achieve their full potential, everyone in the province will benefit.

The North Bay Taxpayers' Association was founded in 2012 to help position our city for future development in a financially sustainable manner. Our long-term goals include the encouragement of socially responsible economic growth in the area, as well as partnerships in business and other community sectors.

As its name suggests, our association wants local residents to get full value for the tax dollars they spend, and we are committed to pitching in and lending support to any project or enterprise designed to make our community a more desirable place to live, to work and to raise a family.

These are challenging economic times for all governments, providing an ideal opportunity for political representatives and civil servants to seek out expertise and advice from within their respective constituencies. There will always be more good ideas than there are elected leaders. The most effective governments are those that listen to their citizens.

Our association has chosen four areas which we feel, if addressed in the forthcoming Ontario budget, can produce long-term benefits for our city, our region and our province. We appreciate this opportunity to speak with you here this morning, and I'm pleased to introduce you to my fellow association member Miles Peters.

**Mr. Miles Peters:** Thank you, Maurice.

On education: Young northerners should not have to leave their homes, families and support systems to be educated or trained for employment opportunities. We should not continually need to import people to work in our universities, our hospitals, our forests and our mines.

The 2012 Commission on the Reform of Ontario's Public Services, also known as the Drummond report, cited "an urgent need to significantly improve the provision of on-reserve First Nations education in the province."

Our recommendation: that the Ontario government develop a pilot program to create an agency involving representation from municipalities, First Nations, industry and educators. Tasked with creating education and training programs to increase educational attainment and employability, the initiative could involve some of the 900 members of the North Bay and District Chamber of Commerce, whose national body issued a report in December, 2013, called Opportunity Found: Improving the Participation of Aboriginal Peoples in Canada's Workforce. The project could also tap into the expertise available on the joint campus of Canadore College and Nipissing University, which currently services the education and training needs of 600 full-time aboriginal learners.

Our rationale in this is, in addition to addressing concerns about out-migration of northern Ontario youth, our recommendation takes note of a Drummond report estimate that closing educational and labour market

performance gaps between aboriginal and non-aboriginal Canadians could result in real economic output of \$401 billion in a 25-year period. It also predicted a \$116-billion boost for governments' fiscal positions, including \$39 billion in increased tax revenue.

1120

**Mr. Maurice Switzer:** We want to speak as well on our second recommendation area about energy and resources. Geography dictates that residents of northern Ontario and our businesses will experience the financial impacts of rising energy costs more than others in the province. It costs us far more to heat our homes, cook our food, do our laundry and drive our cars. Competition has been effectively eliminated from the delivery and pricing of resource-based products, especially heating oil, gasoline, diesel fuel and hydroelectric power. Pricing is now inflated by self-serving corporate interests, taxation by revenue-hungry governments and stock market speculators. We feel that decisive action and legislation is urgently required.

Our recommendation is that the government of Ontario conduct an in-depth study of the province's energy sector, including Ontario Hydro, Ontario Power Generation and the hydrocarbon industries, to determine how its energy resources can be more affordable to businesses and homeowners. Our energy should provide an economic and competitive advantage for industry in Ontario, especially in the hard-hit secondary manufacturing sector.

As our rationale, Ontario's manufacturing sector, once dominant in Canada and the province's economic engine, is now plagued by excessive energy and transportation costs as well as poor economies of scale. Analysts have predicted hydro bills increasing by 33% over the next five years, 54% over the next 10, and 68% over the next two decades.

Our third point: industry and commerce. Secondary manufacturing and global and domestic distribution of products and services in northern Ontario face substantial challenges and a not-so-level playing field that requires encouragement, innovation and additional incentive to attract new enterprises and grow our employment base.

Our recommendation is that the Ontario government, in partnership with the government of Canada and individual municipalities in northern Ontario, offer and enter into joint contractual agreements and partnerships that provide incentives and a starting base for new ventures to establish and create employment throughout northern Ontario. These agreements could take on the form of tax-free zones that provide a tax holiday and/or municipal land incentives that encourage and offset development and initial investment costs. These agreements should be subject to provisions that ensure that long-term employment levels are established and maintained.

Our rationale is that tax-free zones are currently being aggressively marketed in places like upstate New York. We encourage more research and evaluation of their success.

Incentives to business, of course, are justified by job creation, which provides increased employee taxation revenues.

**Mr. Miles Peters:** Lastly, in relationship to jurisdiction and authority: Taxpayers across the province are increasingly shouldering a larger burden to pay for budget-line items over which they have no local spending control or authority to manage. Municipal councils are struggling to keep budget increases in single digits, due largely to provincially imposed arbitration settlements for emergency service employees: police and fire department staffing contingents. In addition to this ongoing annual burden on taxpayers, ahead looms the spectre of huge, exorbitant unfunded liabilities related to rich pension plans for municipal and other government employees.

Our recommendation: that the province restore jurisdiction and the powers to manage the costs of maintaining emergency services to local municipal governments and implement legislation to bring public sector pensions in line with those of the private sector.

Our rationale: The average annual compensation has reached \$126,000 for a North Bay fireman, who spends much of his time on standby and non-emergency duties.

According to Statistics Canada, over 60% of working Canadians do not have an employer-sponsored retirement plan. They indicated that 59% of Canadians are living paycheque to paycheque, with only a third of eligible Canadians making contributions to their RRSPs.

North Bay residents, like all Ontarians, are hopeful about our province's future, but that future can only be realized if we are persistent about living within our means, while striving for equality and fairness to correct inequities and find ways to create new opportunities and hope for those who come after us. Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Very good. Thank you very much. You've left some time for questions: just under five minutes, Vic?

**Mr. Victor Fedeli:** I'm going to have Doug ask.

**The Chair (Mr. Kevin Daniel Flynn):** Doug.

**Mr. Douglas C. Holyday:** Thank you very much. I'm very interested in your comments pertaining to emergency services and firefighters and the arbitration process that allows the costs to escalate the way that they have. I don't know if you're aware of it or not, but the Association of Municipalities of Ontario and the Large Urban Mayors' Caucus have met on this and have recommended to the government that they change the arbitration system. They want financial ability to pay to be involved, and they want consideration for individual municipalities. The way it is now, they leapfrog each other, and the thing just keeps going up and up, and there's no control. I just wonder what you thought of that matter. Would you support this change in the arbitration process? Municipalities try to hold back—and I know this from my experience in the city of Toronto—but in the end, an arbitrator usually overrides you, and it's done based on something that happened somewhere else.

**Mr. Miles Peters:** We support anything that recognizes and addresses the unsustainability of these programs. It's a matter that must be addressed and must be managed, because we're on a path that will eventually cause us great financial damage, and it just cannot be

sustained. Anything to improve both the operation of these emergency services and the compensation factors that are associated with them is greatly welcomed by the taxpayers at large.

**Mr. Douglas C. Holyday:** There's also, just quickly, two other matters the government is considering. One is a gasoline tax, up to 10 cents a litre. The other is an Ontario pension plan, and individuals would have to contribute to that as well as employers. I wonder what you thought of those matters.

**Mr. Miles Peters:** We're at our limits as taxpayers. It's pretty much a known fact that we're very, very worried, with the prices of our fuel supply and gasoline as they are now. We don't really feel, from taxpayers at large, that there's any more room to move in that direction. The inflationary factors covering our resource industries are out of our control now, and there's no competition involved to determine and set those prices. It was mentioned in this report that it's totally determined by the elements involved, including government taxation and the money markets. Somehow, we feel that legislation has to be required surrounding our resource industries so that we don't drive our industry out of our province and put such a burden on our homeowners etc. that we just are not able to survive for much longer. We have to recognize the trouble we're in with these inflationary costs.

**Mr. Douglas C. Holyday:** Thank you very much. I'm going to turn it over to my associate here.

**The Chair (Mr. Kevin Daniel Flynn):** You've got about a minute and a half, Vic.

**Mr. Victor Fedeli:** Thank you, Chair. Thank you very much for an excellent presentation from both of you.

The tax-free zones and what's happening in New York—of course, we're bombarded with the television commercials. I'm not sure that we're ever going to get there, but you'll remember our buck-an-acre that we did in the city of North Bay that attracted Goodyear, Atlas Copco and Cementation. It was an absolutely wonderful program that put about \$35 million of buildings up. Do you want to talk a little bit more about that in the 45 remaining seconds, Miles, if you don't mind? I'd be more than eager to hear—

**Mr. Miles Peters:** We need real encouragement out there to create the incentive and the initiative to establish and to level the playing field, and overcome the obstacles that we're facing in northern Ontario. Anything we can do to grow our tax revenue base by employment taxation etc. we believe will more than offset the investment in encouraging development in our areas, because we have some real obstacles here.

**Mr. Victor Fedeli:** We've heard the obstacles right around the province. High taxes, high energy rates and red tape all seem to be real job killers. You talked about not wanting to see industry being driven out. I remind the committee and others of the high energy rates that caused Xstrata, the copper, the best example in Ontario—the saddest example, I should say in Ontario—where high energy rates caused them to pick up and move to Quebec

for low energy that we paid Quebec to take from us. It cost us 672 jobs.

**Mr. Miles Peters:** If there's not something drastically done in relationship to the supply of our hydroelectric power—we're spiralling out of control, and we're going to experience substantially more losses than what we've seen to date. That is a real concern.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Miles, and thank you very much, Maurice, for joining us today.

1130

### CANADIAN FEDERATION OF STUDENTS—ONTARIO

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation this morning is from the Canadian Federation of Students—Ontario, Alastair Woods. Alastair, come on forward and make yourself comfortable there. If you've got a handout, we'll take it from you. Fifteen minutes, like everybody else, Alastair. The questioning this time around will come from the NDP, if there's any time left.

**Mr. Alastair Woods:** Okay, great. Thank you very much for having me today. Not only am I based in Toronto, but I was born in Ireland, so this cold is truly unfathomable.

My name is Alastair Woods. I'm the chairperson of the Canadian Federation of Students—Ontario, this province's oldest and largest student organization. We represent 300,000 undergraduate, graduate and college students from Thunder Bay to Windsor, including Nipissing University students here in North Bay.

Ontario's youth and students are facing crises on multiple fronts, and the 2014 provincial budget can provide us with an opportunity to alleviate the financial and social uncertainty that colour the daily lives of young people today.

With record-high debt levels, increasingly expensive tuition fees, inflated costs of living and the expansion of unpaid internships, today's youth might very well become the first generation in a century to live worse than their parents. The economic and social health of Ontario depends upon the very youth who are being cast out to sea on a sinking ship. Now, more than ever, the provincial government must be bold enough to commit to solutions that can pull this generation back from the brink of bankruptcy.

Though Ontario's students are struggling under mounting financial pressures, we also have thoughtful and practical solutions to the challenges we face together. These solutions are contained in our pre-budget submission and outline a student's vision for an Ontario that is fair, equitable and sustainable.

The first challenge young people face is getting into post-secondary education. Chronic underfunding of our public colleges and universities has left students and their families to pick up a greater share of the bill for higher education in Ontario.

September 2014 will mark the ninth consecutive year in which tuition fees have been permitted to rise, making Ontario the most expensive province in which to study, for the sixth year in a row. This year, undergraduate students in Ontario paid an average of \$7,259 in tuition fees, while graduate students paid an average of \$8,456. Compare this with Newfoundland and Labrador, where undergraduate students paid an average of \$2,644 and graduates paid an average of \$2,473.

In an economy where over 75% of newly posted jobs require a degree or diploma, students are taking on higher debt loads to finance their studies. The average debt for a student who takes on public and private financial assistance in Ontario is \$37,000. Record-high levels of debt impede students' abilities to actively participate in economic life and delay important decisions until such a time that the student feels they can financially commit to starting a family, buying a house or a car, or starting a business.

Students are proposing a 30% reduction in tuition fees over three years. The first year would be cost-neutral by moving funds dedicated to the Ontario Tuition Grant and education tax credits into an upfront tuition fee reduction that applies for all students. The following two years would require modest investments to deliver the full 30% tuition fee reduction.

In addition to this, students are calling for increased funding to investigate and end illegal ancillary fees in Ontario, a reinstatement of post-residency fees for graduate students who have completed their coursework, and increased funding for the Ontario Graduate Scholarship Program.

If getting into college or university wasn't hard enough, life beyond the classroom has become even more difficult and unaffordable. For decades, tremendous shifts in the labour market have created broad expansions of precarious, low-wage work that is often part-time or contract. As students scramble to find any job that can pay their bills, they are often going to extreme lengths to gain advantage in the labour market.

For many Ontario students, unpaid internships and co-op terms are becoming increasingly and disturbingly common ways to build a résumé. In an example of supreme irony, many students engage in unpaid work through academic programs, are funnelled into these positions by their institutions who ask them to pay partial or full tuition fees for the opportunity to work for free.

It is difficult for us qualify just how big the problem of unpaid internships is in our economy, since we do not collect any data on them. This is why students are recommending the Ontario government dedicate a modest amount of money to collect information on the prevalence of unpaid work.

There is, however, one sector of our economy where we do have more reliable information about unpaid work: the public sector. Many students in social service programs, such as nurses, teachers and social workers, are required by their programs to undergo lengthy unpaid work terms as part of their degree or diploma require-

ments. In many cases, these young people work full-time for extended periods, often months, performing the duties of regular paid employees without any compensation.

The public sector must be a leader in this regard, and take a bold step in the right direction by paying students who are performing internships and work terms in this sector, especially when these work terms fall under the requirements for their academic programs.

Finally, students are calling for increased investment to improve the reliability and affordability of public transit in the province. As primary users of public transit, students rely on trains, buses and streetcars to get to and from school, work, home and other social obligations. Yet chronic underfunding has made most public transit systems in the province unreliable, unaffordable and underserviced. The government must invest heavily in public transit in all corners of Ontario to ensure that youth, students and all Ontarians have access to faster, greener and more affordable modes of transportation.

Students have also proposed a host of revenue-generating options, realizing that investing in the economic health of our province requires us to move away from the economic ideas of the past. In the last decade we've seen public spending cuts and a shrinking tax base while public services struggle to meet increased demand and user fees increase exponentially. It is time to switch directions in Ontario away from a mentality that encourages individualism and isolation at the expense of social cohesion and strong, reliable public services.

My generation has been ushered to the edge by political neglect, but we haven't fallen over the edge just yet. There is still time to make the future brighter and more promising for Ontario's struggling youth and students and, by extension, secure a more just, fair and sustainable future for our province as a whole.

Thank you very much for having me this morning.

**The Chair (Mr. Kevin Daniel Flynn):** Wonderful. Thank you, Alastair, for your presentation. You've left about eight minutes for questions. Are you going to start, Catherine, or Michael?

**Ms. Catherine Fife:** Sure, I can. Thank you. The federation always does a very good job of bringing forward some key priorities. You've made some cost-saving measures which I find very interesting. I don't remember you recommending this last year, Alastair: that we look at the Higher Education Quality Council of Ontario, this so-called arm's length—do you want to just talk a little bit about that?

**Mr. Alastair Woods:** Yes, absolutely. The Higher Education Quality Council of Ontario is an arm's-length public research body that was designed to do research and help guide policy in the higher education sector. Unfortunately, it has become a rubber stamp for government policy. It is our opinion as a federation that it should be completely eliminated and that money could be put to better use by funding grants, tuition fee reductions and scholarships. We do not believe that the Higher Education Quality Council of Ontario deserves the money that it's given, particularly given the fact that they do

support many government policies that have led to the erosion of the quality of education in this province and have proposed ideas that can be quite outlandish, such as using Aeroplan points to pay for your tuition fees, which is something that many students will never be able to take advantage of. So it's our opinion that we should redirect the money that's put into HEQCO to a more useful and productive program.

**Ms. Catherine Fife:** Thank you. Something that's not contained in your presentation but that I'm interested in getting your perspective on: The government announced yesterday that they're going to be extending the private colleges that will now be eligible for the tuition-fee discount. I do think that this is probably good for co-op students because they've been left out of the equation—the 30% reduction. Do you want to comment? Does your association have a perspective on this move?

**Mr. Alastair Woods:** Yes. First of all, in the broadest sense the federation is quite critical of the 30% off tuition fee grant. We don't believe that it reaches enough students. Right now, only two out of nine students are eligible to receive the grant. The expansion adds 5,000 new eligible students, many of whom are studying in private career colleges. The federation does not believe that private career colleges should be permitted in Ontario, particularly because they offer unregulated tuition fees which are often two, three and four times higher than similar programs at public colleges and universities. There have also been cases of private career colleges packing up and leaving overnight, leaving students who have paid tuition fees with no qualifications, and many more private career colleges who deliver qualifications that are incompatible with the qualifications required for particular jobs.

We do believe that the money used for the Ontario tuition fee grant could be put to better use, utilizing not only the Ontario Ombudsman but also other departments of the government to crack down on the abuses by private career colleges.

**Ms. Catherine Fife:** Okay. Just one other comment: In yesterday's announcement, it was called a win-win because the ministry has also tightened eligibility for OSAP. Do you see eligibility for OSAP as a problem in the province? When I'm talking to my constituents, they fight tooth and nail to get any kind of support. So can you talk about that eligibility framework?

**Mr. Alastair Woods:** Yes. I think that there are many, many students who have to take on loans, whether it be through private banks or through public loans through the National Student Loans Service or through the Ontario Student Assistance Program.

1140

One of the things that we're quite critical of in terms of this loans-based financial assistance program is that many students who can afford to pay their tuition fees upfront, if they come from a higher-income family, won't be paying back any of the interest that's being given on that loan. What we're actually seeing is that lower-income students who have to take on the debt loads

through OSAP, if they're eligible at all, will often be paying two or three times more for their education over the course of their life than a student from a high-income family who can pay upfront. So, certainly, we believe that the best way for financial assistance is a needs-based non-repayable grants program, so that we can direct the money towards students who need it most, and make sure that the students who need the most financial assistance are getting it in a way that's equitable and fair.

**Ms. Catherine Fife:** Okay. Do you have one more question?

**Mr. Michael Prue:** I have a couple of questions. How much time is left?

**The Chair (Mr. Kevin Daniel Flynn):** You've got about three and a half minutes.

**Mr. Michael Prue:** Okay. I want to commend you, because a lot of groups come in and ask for things, but they don't tell us how to get the money. You've put some pretty bold suggestions down here: capping university salaries at \$200,000 or \$250,000. Any thoughts—what do professors and those who make more than that think of this suggestion? We haven't heard from them at all.

**Mr. Alastair Woods:** Well, most people who would be affected by the salary cap are upper-level administrators. These are often people who are making \$300,000 to \$450,000 dollars on top of benefits. We do not see any reason why a senior administrator of a public college or university should be making that much money. The numbers that we've got here can actually—we say that it can save \$17 million per year, and that was simply our calculations by going through the sunshine list of the upper-level, senior administrators who make that much money.

**Mr. Michael Prue:** I think the highest-paid one was the York University president, was it not?

**Mr. Alastair Woods:** I think so, and that was my alma mater.

**Mr. Michael Prue:** All right. So you're not so much looking at the professors; you're looking at the administration, and that's going to save \$17 million. Okay.

The second thing you talked about is revenue-generating options, including a surtax on those who make over \$250,000. We already have a surtax on those who make over \$500,000, but it's due to expire. So are you recommending keeping the \$500,000 and, as well, adding another one?

**Mr. Alastair Woods:** I would think so, yes. We need to find new ways to raise revenue, and we think that a modest tax increase on a small segment of the population would be helpful, as well as restoring some of the corporate tax rates would go a very long way to raising the money we need.

**Mr. Michael Prue:** Now, there's at least one party who wants to reduce the corporate tax even further and one who's sort of happy the way it is. What do students generally think about letting the corporations have the lowest corporate tax rate in North America? Is that producing jobs for students out there?

**Mr. Alastair Woods:** Absolutely not. Even in the government's own fall economic statement, there was a contributors-to-growth gap that showed that even though we have the lowest tax rates in North America, there was actually no change in business investment from 2007 to 2013.

We've had businesses that have said, "We need these tax breaks so we can create jobs and invest in skills training," and they've done the exact opposite. They've outsourced jobs, and now, even today, they're still trying to push the cost of job training onto colleges and universities that are already underfunded and can't afford to do that.

**Mr. Michael Prue:** I think those are my questions. Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Very good. Thank you very much for coming, Alastair, and for your presentation.

**Mr. Alastair Woods:** Thank you very much.

#### MUNICIPALITY OF CALLANDER

**The Chair (Mr. Kevin Daniel Flynn):** Our last delegation of this morning is His Worship from the municipality of Callander, Hector Lavigne. If you'd like to come forward. We started with North Bay; we'll end with Callander.

**Mr. Hector Lavigne:** There you go.

**The Chair (Mr. Kevin Daniel Flynn):** Fifteen minutes, like everybody else, Your Worship. You get 10 minutes for the presentation, about five minutes for questions, if you would like. The questions will come from the government side this time.

**Mr. Hector Lavigne:** Thank you very much, members of the standing committee, for the opportunity of delivering what I believe is a message that most municipalities, most rural municipalities, have offered you. There may be some repetition in the presentations, but that should suggest to you the validity of some of the calls that are coming your way.

In my view, the state of municipal infrastructure, especially in northern Ontario, is in dire straits. The reduction of core provincial funding mechanisms like the Ontario Municipal Partnership Fund program has significantly impacted the ability of smaller municipalities to address municipal infrastructure issues. In our case, the OMPF funding in 2012 was \$639,000; it was \$560,000 in 2013, which will be reduced to \$506,000 in 2014.

While the provincial uploading of social service costs initially resulted in a decrease in municipal levies, this has been offset with increasing social service levies and policing costs, leaving municipalities with a shortfall in terms of provincial funding. For example, our DSSAB levy was \$216,000 in 2011, and now, in 2013, we're at \$224,000.

I am also a member of the board of the DSSAB and I understand their issues, but the uploading hasn't filtered down to the municipalities in the right fashion. It seems to boost up some of the ABCs. They are using monies for

reserves, and rightfully so in a lot of cases. But for municipalities, we're not seeing any net benefit to the uploading. I understand the argument you may have that we have to pay for it anyway eventually, but at first glance that is an issue for us. Overall DSSAB levies were reduced \$50,000 with uploading, but OMPF was reduced over \$100,000.

For small northern Ontario rural communities, investment in sustainable municipal infrastructure is central to job creation, job and business retention, and improved service levels. In order for small rural northern Ontario municipalities to be able to conduct appropriate asset management plans, including preventative maintenance and the building of much-needed reserves, as well as to be able to comply with increasingly onerous and costly legislative requirements and unforeseen disasters, consistent, adequate and predictable no-ties funding must be provided by the upper levels of government on an annual basis. Certainly the AMO position mirrors this, or ours mirrors the AMO position in this regard as well.

This funding should be specifically geared towards small rural northern Ontario municipalities. I use the figure of 10,000 population or less. There may be an argument from my friends in municipalities with larger populations, but we as communities are underequipped, understaffed and generally unable to compete with larger neighbours for competitive allocations. As well, we do not have the buying power to realize construction and service cost savings.

Predictable yearly investment without ties to any one project or set competitive criteria—for example, an income stream—in these small communities by the province will result in—excuse me for a second. You know that movie—who's that comedian there? Anyways, he gets dry mouth. That's what I've got right now. Excuse me.

Predictable yearly investment without ties to any project or set competitive criteria in these small communities by the province will result in: improved asset management, extending the life of infrastructure in a more cost-effective and innovative manner using current technologies; job creation in the short term in the private sector via infrastructure construction contracts; job creation in the private sector long term via renewed business development in the north by attracting investors and new businesses; the potential for the enhancement of transportation services; and job creation in the public sector via the hiring of increasingly skilled municipal staff, all of which results in improved service delivery, increased and varied services, and the enhancement of existing services. This type of northern-Ontario-specific funding, spurring growth and development in the north and connecting northern communities, is specifically contemplated by the northern Ontario growth plan, which has yet to be realized or appropriately implemented, in my view.

**1150**

Further, the province could assist these municipalities by offering joint or coordinated infrastructure construction projects where these municipalities could benefit

from the buying power of the province, thereby allowing construction costs and allowing for more infrastructure projects to be conducted with less money.

Further, predictable funding would eliminate the competitive nature of dealing with municipal infrastructure issues and would encourage smaller municipalities to work together to deal with common issues.

All of the foregoing will eventually result in a lowering of the deficit as the need for provincial intervention will diminish as these communities become more self-sustaining. Growth is spurred, operational efficiencies are realized and the overall cost of development, maintenance, enhancement and repair is reduced over time.

In our municipality, \$35,000 represents 1% of taxes. Some 98% of our tax base is residential. Everything that we do falls directly on the shoulders of the property taxpayers. We also have on one side the luxury of water and sewer, the benefit of having water and sewer. It's a double-edged sword, with 760 users on it. We had a 15% increase in our water rate last year. We've spent \$2.9 million of our own money, without assistance from the government, this year, and in 2014, for the maintenance of those particular lagoons. We've paid out of our own money—borrowed, of course—\$800,000 for some road construction. With the assistance of both the federal and the provincial governments, we're rebuilding our marine facility; however, that costs us our own money—\$500,000.

We are doing, from my perspective, all the right things. I think we're sending the right signals out. However, when it gets down to infrastructure and the recent rural infrastructure funding formula, we were turned down based on the fact that there are other municipalities with more critical needs than ours. It suggests to me that the government wants us to go into debt as far as we can, and when it becomes critical, then we're in a position to get some more money. I think that is something that we need to fix.

I'm a willing partner in terms of development and I'm a willing partner in providing examples and recommendations to you in fixing not only our issues but potentially some larger issues, and I offer you this as my presentation. Thank you very much.

**The Chair (Mr. Kevin Daniel Flynn):** That's wonderful. Thank you, Your Worship.

**Mr. Victor Fedeli:** Chair, can I ask, are we going to receive a copy of that?

**Mr. Hector Lavigne:** Absolutely, yes. I have one copy but we will make sure that you have a copy of it.

**The Chair (Mr. Kevin Daniel Flynn):** We'll distribute that for you. We've got about four and a half minutes. Who's going to start? Soo, and then Donna.

**Ms. Soo Wong:** I just want to say thank you very much for your presentation, Mayor. I'm particularly interested in your comment about smaller municipalities working together, as well as your comment about the infrastructure projects. Are you alluding to encouraging municipalities, through Infrastructure Ontario, to leverage some of these big projects? Can you elaborate on both of those comments?

**Mr. Hector Lavigne:** Yes. If I understand the question, I think—a little bit outside the box—if we can work with the government where the government can be the leader in terms of the contracts, whether it be culvert replacement or bridge replacement or so on and so forth, and make it a project, we're going to get the economy of scale that the province partnership can certainly provide us. So that's just a thought, from our perspective, on how to deal with these larger projects.

Sustainable funding is one thing, but as you know, every project that we have is not the \$100,000-fix-the-road; they tend to be \$1.5 million and \$2 million. When I refer to \$35,000 as one percentage point in terms of taxes, you can surely understand the burden that small communities have in wrestling with these particular projects. It took me, as mayor—and I've been the mayor since 2000—all of that time to get co-operation from both levels of government to assist us with a failing marine facility. To do it on our own: \$2 million plus the need for road infrastructure renewal, facility projects—it's just unbearable. You just don't have the tax base to be able to do these things.

**The Chair (Mr. Kevin Daniel Flynn):** Very good, Donna?

**Mrs. Donna H. Cansfield:** I was interested as well—thank you for your presentation.

I think northern communities receive \$340 million or \$339 million out of the Ontario Municipal Partnership Fund, and I know that an additional \$86 million went into the roads program just in 2013. So I guess I'm concerned that you're not getting a reasonable share of that, because I recognize the challenge, especially around your roads, given what I used to do. So that's one question: How are you able to access so that you get your request on the table in a fair and equitable fashion? That's my one question.

Then I'd be interested to hear about DSSAB, as well, in terms of why that money is not filtering down to you and what you think we can do about that.

**Mr. Hector Lavigne:** Thank you. In terms of funding, rest assured that our municipality has applied at every

opportunity for funding projects. We have our priority projects, and we have delivered those particular applications. Why they haven't filtered down—I can only suggest, in the comments made, and I refer to a letter that Al McDonald sent to you, that, in terms of criteria, property assessment and incomes are not the best criteria for determining a community's economic conditions. Secondly, the primary criteria for assessing applications—a great deal of time, effort and money could have been avoided by simply advising which municipalities would apply.

I make reference to that comment in relation to the response that most communities—East Ferris, ourselves, North Bay and many more—have received with respect to recent applications: that those municipalities with more critical issues are going to get the nod on this. So we're there applying, and that speaks to the consistent funding that not only AMO but all the municipalities in Ontario are looking for. If it's consistent and we can deal with it from our priority perspective, then we can go forward with it.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Your Worship.

**Mrs. Donna H. Cansfield:** Thank you very much.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much for coming this morning.

**Mr. Hector Lavigne:** Thank you very much.

**The Chair (Mr. Kevin Daniel Flynn):** It was appreciated.

**Mr. Hector Lavigne:** Righto. And we'll certainly, Vic, get you a copy of that as well.

**Mr. Victor Fedeli:** To the Clerk, actually; to the Clerk.

**The Chair (Mr. Kevin Daniel Flynn):** Some information for the committee: Those of you who haven't checked out, that would be a good idea. Lunch will be in the Fab Lounge. Taxis for the airport are going to leave at 1:15 in the lobby.

I'm going to adjourn the committee to Kingston.

*The committee adjourned at 1200.*

## **STANDING COMMITTEE ON FINANCE AND ECONOMIC AFFAIRS**

### **Chair / Président**

Mr. Kevin Daniel Flynn (Oakville L)

### **Vice-Chair / Vice-Présidente**

Ms. Soo Wong (Scarborough–Agincourt L)

Mr. Steven Del Duca (Vaughan L)

Mr. Victor Fedeli (Nipissing PC)

Ms. Catherine Fife (Kitchener–Waterloo ND)

Mr. Kevin Daniel Flynn (Oakville L)

Mr. Douglas C. Holaday (Etobicoke–Lakeshore PC)

Ms. Mitzie Hunter (Scarborough–Guildwood L)

Mr. Monte McNaughton (Lambton–Kent–Middlesex PC)

Mr. Michael Prue (Beaches–East York ND)

Ms. Soo Wong (Scarborough–Agincourt L)

### **Substitutions / Membres remplaçants**

Mr. Toby Barrett (Haldimand–Norfolk PC)

Mrs. Donna H. Cansfield (Etobicoke Centre / Etobicoke-Centre L)

### **Clerk / Greffier**

Mr. Katch Koch

### **Staff / Personnel**

Ms. Susan Viets, research officer,  
Research Services

## CONTENTS

Wednesday 22 January 2014

Pre-budget consultations .....	F-741
City of North Bay.....	F-741
Mr. Al McDonald	
Ms. Margaret Karpenko	
Ontario Rehab Alliance.....	F-743
Ms. Laurie Davis	
North Bay Regional Health Centre .....	F-745
Mr. Paul Heinrich	
Mr. William Love.....	F-748
Ms. Betty Dean .....	F-750
Canadian Beverage Association.....	F-752
Mr. Jim Goetz	
Community Counselling Centre of Nipissing .....	F-755
Mr. Alan McQuarrie	
North Bay Literacy Council Inc. ....	F-757
Ms. Jane Jackson	
Ontario Council of Hospital Unions.....	F-759
Mr. Michael Hurley	
North Bay Taxpayers' Association .....	F-761
Mr. Miles Peters	
Mr. Maurice Switzer	
Canadian Federation of Students—Ontario .....	F-764
Mr. Alastair Woods	
Municipality of Callander .....	F-766
Mr. Hector Lavigne	

F-26



F-26

ISSN 1180-4386

## Legislative Assembly of Ontario

Second Session, 40<sup>th</sup> Parliament

# Official Report of Debates (Hansard)

Thursday 23 January 2014

Standing Committee on  
Finance and Economic Affairs

Pre-budget consultations

## Assemblée législative de l'Ontario

Deuxième session, 40<sup>e</sup> législature

# Journal des débats (Hansard)

Jeudi 23 janvier 2014

Comité permanent des finances  
et des affaires économiques

Consultations prébudgétaires



Chair: Kevin Daniel Flynn  
Clerk: Katch Koch

Président : Kevin Daniel Flynn  
Greffier : Katch Koch

### **Hansard on the Internet**

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. The address is:

<http://www.ontla.on.ca/>

### **Index inquiries**

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.

### **Le Journal des débats sur Internet**

L'adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance est :

### **Renseignements sur l'index**

Adressez vos questions portant sur des numéros précédents du Journal des débats au personnel de l'index, qui vous fourniront des références aux pages dans l'index cumulatif, en composant le 416-325-7410 ou le 325-3708.



## LEGISLATIVE ASSEMBLY OF ONTARIO

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON  
FINANCE AND ECONOMIC AFFAIRS

Thursday 23 January 2014

COMITÉ PERMANENT DES FINANCES  
ET DES AFFAIRES ÉCONOMIQUES

Jeudi 23 janvier 2014

*The committee met at 0901 in the Days Inn, Kingston.*

## PRE-BUDGET CONSULTATIONS

**The Chair (Mr. Kevin Daniel Flynn):** Okay, ladies and gentlemen, let's call to order. Welcome to Kingston, everybody.

CORNWALL AND DISTRICT  
LABOUR COUNCIL

**The Chair (Mr. Kevin Daniel Flynn):** Our first delegation this morning is from the Cornwall and District Labour Council: Elaine MacDonald, the president. Elaine, the floor is yours.

**Ms. Elaine MacDonald:** Thank you, ladies and gentlemen. The Cornwall and District Labour Council is a network of unionized public and private sector workers numbering approximately 10,000 in the eastern-most counties of Ontario: Glengarry-Prescott-Russell and Stormont-Dundas and Glengarry. Our primary goal is to represent and advocate on behalf of working people. Our affiliated unions support each other in their efforts to improve working conditions, to gain fair and equitable recompense for their labours, and to achieve at minimum a living wage capable of supporting their families and allowing them to retire with dignity and financial security. I'm sure your parties' broad goals line up with our local aspirations, which I dare say are shared across the province.

Furthermore, we recognize that the workplace is not distinct from the communities in which we live. With our community partners, non-profit agencies and unorganized workers, we work to achieve an inclusive and supportive society where everyone is able to support themselves and their families, and when not, then they are able to access the social services that enable them to maintain a meaningful place within the community.

To advance these goals, we have prepared three asks. The first is that government respect organized labour and the union movement; the second is that government raise the minimum wage; and finally, that government regulate the intercity bus transportation industry.

With respect to the first ask, for respect for collective bargaining and other principles of the union movement, our region has experienced the same challenges as other parts of the province: loss of manufacturing and the loss

of the standard of living associated with it, which had been achieved over the years thanks to the activism of the labour movement and the stability of the industrial economy. Locally, we are creating new alternate means of employment which, sadly, do not bring the same financial return, either in wages, benefits or employment security, and which most often do not enjoy the protection and advocacy of a union. Fewer workplaces enjoy the benefits of collective bargaining and employment security. Consequently, workers are increasingly falling behind and losing ground even when working full-time.

We call upon the government to protect workers' rights, especially access to collective bargaining, and to protect the collective bargaining process itself. The playing field is not even. Workers lose ground while corporate interests put pressure on governments to eviscerate workers' support systems through weakening and dismantling unions. Attacks on the Rand formula federally and the so-called worker choice programs provincially are anti-worker movements, and as labour activists, we call upon governments to reject them.

This isn't just a question of supporting workers. It's a question of protecting the economy. Studies of southern American states that went down this road and abandoned unions—did not experience the longed-for rebounding of their economies. Restoring competitiveness to an economy can't be had by sacrificing the people the economy is meant to support. One can't protect or revive an economy by exposing those at the bottom of the ladder, the workers, to exploitation.

We go farther than asking governments to maintain the status quo for unions. We ask that governments bring back card certification to level the playing field so workers are free to signal their preference for a union without fear of reprisal or manipulation. Let workers exercise a real choice, the choice to extend ambitions they entertain for themselves in their search for workplace security into a common cause, one that increases the social prosperity of the whole community.

Our second ask is for a minimum wage of \$14 an hour. The Ontario government has recently concluded a province-wide study on minimum wage and has the information it needs to do the right thing by the working people of the province, over half a million of whom work for minimum wage and most of whom are women. The wage has been frozen for three years, but sadly, prices in the commercial and retail sectors have not. Bread has

gone up, rent has gone up, the price of a movie has gone up, and prescription drugs have gone up. All the while, the wages of Ontario's most vulnerable workers have been locked in at \$10.25. The workers have been locked in too, in that they have been progressively locked out of participation in their communities. They shop less frequently at neighbourhood stores and more frequently at local community food banks. They can't enrol their kids in after-school programs, they can't buy them the dedicated pair of running shoes required for gym classes, and they can't pay the ever-increasing user fees that municipalities demand of them for their activities.

We urge the government to raise the minimum wage immediately to \$14 an hour and to index it to inflation—after it has been raised of course. Social agencies and labour activists have been calling for this benefit for years, and most recently, their voices have been joined by the medical community leaders, who rightly point out the toll of an impoverished existence: poor nutrition, ill health, higher rates of heart disease and cancers, above-average school failure rates—you know the whole sad list. Ultimately, it ends in an early death. We know that poverty is the common denominator in this list. We can end it. Failure to do so is a short-term saving. It leads to a greater degree of government spending later in repairing lives needlessly broken and supporting people who have been victimized in exploitative workplace situations. People locked into inadequate wages don't just fail their families; they fail their communities and eventually become isolated from them.

I just want to check the time before I continue to see if I'll curtail. I'm fine.

We believe that the solution to poverty is to pay people more. People want to participate in the economy, and when they do, the whole community benefits. There is no dignity in a bread line. It is better and more profitable for all to ensure that a worker's wage is adequate to give him admittance to the grocery store checkout line. There was a time in Ontario when having a job made the difference between poverty and security. A higher minimum wage, at \$14 an hour, would re-establish the financial value of employment.

I don't just speak here as a labour activist. Two days ago, with approximately 65 others in eastern Ontario—church ministers, educators, workers from social agencies and non-profits, and even MPP Jim McDonell—I attended a two-hour workshop entitled Community Consultation on the Ontario Poverty Reduction Strategy. We came together to discuss what was right and what was wrong and what should be changed and what should be kept in Ontario's policy. No one—I repeat, no one—in the two hours and five rounds of consultation in which I participated, called for anything resembling an austerity measure. Through all the discussions, all our prescriptions involved extensions of programs, primarily in education, from early childhood to post-secondary, and apprenticeships and greater access to child care. These are costly programs, but the benefit is obvious.

By the end of the morning, though, we sadly acknowledged that none of us had used the words "taxes" or

"spending," even though our ideas had been dependent on that. I think we were afraid to, because "taxes" and "spending" have become four-letter words in the political arena, and that, ultimately, is where the problems have to be solved. We recognized at our table that, as a society, we have to change the terminology, to speak in terms of investments, not taxes, and to call for investments in people, the province's most important resource.

0910

In summary, there was a call for more spending of two types: private sector spending and public sector spending. We wanted private sector spending in terms of a higher minimum wage, and public sector spending in terms of support for the public services on which we all depend.

Too often, for the last 20 years, governments have opted to support private interests over public ones, to offer tax cuts that enhance the personal portfolios of individuals over the social support systems that enrich the community. We ask the government to turn this around. We believe governments exist to protect the community, to establish and maintain a balance and equilibrium between corporate interests and the people's social and economic needs.

Our third ask is a call for a re-regulation of the inter-city bus industry. Buses are still the cheapest and most economical means of intercity transportation, and for all but the major cities of the province, bus service has progressively declined over the last 20 years. We believe mobility is a worker's right and need.

Cornwall is a city of 45,000 people on the 401 corridor, but in spite of that location, more and more, bus travel literally passes us by. Depots have moved to the edge of or beyond city limits. We do have a private bus service to and from Ottawa daily, on which ridership depends on buying a monthly pass, so you need a job before you can get it. The Toronto-Montreal corridor buses stop less frequently than before. Given the location of the bus station—which, believe me, is a euphemism—ridership is not dying out; it's being killed off. That bus service is unprofitable is a self-fulfilling prophecy.

The situation is the same in the north and west of the province. Communities like Cornwall that are trying valiantly to reinvigorate their post-industrial economies are finding themselves isolated and cut off from communities beyond the extent of their own transit systems.

Furthermore, this is a repudiation of our obligation to the environment to foster and grow mass transit options over the forced reliance on personal vehicles.

On behalf of the labour council, I thank you for your attention to our asks for a strengthening of the principles of unionism, for a higher minimum wage and for a re-regulation of the intercity bus industry.

We have great hopes for the next Ontario budget. We believe that our government has developed some progressive legislation in the past two years, through inter-party co-operation and collaboration—not always by choice but most assuredly for the benefit of the people of Ontario. We hope for and ask you for more of the same. Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** That's great. Thank you, Elaine. You've left some time for questions, between four and five minutes. Doug or Jim?

**Mr. Jim McDonell:** Sure. Thanks for coming out, Elaine. As somebody from my riding, I was glad to see you at the poverty reduction seminar that I hosted the other day in Finch.

One of the issues that comes out about the minimum wage is that studies show that all that will do is actually hurt the people it's intended to help, as there are less jobs available as employers cut back. We've seen, I guess, for a couple of years now, or 10 years, where taxes, benefits and spending have gone up, but jobs are leaving. Any reply to that, or comment on that part?

**Ms. Elaine MacDonald:** I'd like to, very much. We've obviously looked at different studies, because I've seen studies from New York, for example, where, when their minimum wage was raised, employment didn't decline.

What we find in Ontario especially is that the biggest minimum-wage employers are extremely profitable companies, like fast food services, like Tim Hortons and McDonald's. They are doing extremely well. The people who sponsor and support them can certainly afford to pay a little bit more for their hamburgers so that, hopefully, one day, the people who work there can buy a coffee after work as well.

The minimum-wage workers are being left out of the economy. We've gone so far from the days of Henry Ford, when he wanted to pay his workers enough that they could actually one day buy a car. Let's get back to that.

**The Chair (Mr. Kevin Daniel Flynn):** Doug?

**Mr. Douglas C. Holyday:** We had other deputations, as you might know, throughout the province this week and last week, and we've heard from several groups—employer groups and even municipalities—concerned about jumping the minimum wage, as has been suggested. They don't seem to be as out of line with maybe attaching it to the rate of inflation or something, to try to keep it constant, but they really were opposed to taking it from where it is now up to \$14. They thought that would cause quite an upheaval in their businesses. I just wonder what your comments on that would be.

**Ms. Elaine MacDonald:** I guess I focus on the upheaval that the last three years have entailed for workers who have had to tighten their belts and do without all of the things around them that are actually going up in price. You can't isolate one part of the economy, withdraw it from everything else and say, "No activity here."

The whole economy is a biologically thriving entity, and the workers are somehow shut out of that activity. They're just frozen. It's as though they're in limbo somewhere. If we could freeze prices, then surely we could freeze wages, maybe.

**Mr. Douglas C. Holyday:** Some of their comments had to do with the fact that a great portion of their workforce that were getting the minimum wage were students, and that if that minimum wage went up, as has been

suggested, they would definitely have to reduce the number of students that they were employing. What would you tell the students?

**Ms. Elaine MacDonald:** I think that we get a lot of free labour out of students already, in that they have to give 40 hours of community work just in order to graduate from high school. In Cornwall, I can assure you that the majority of the workforce at places like Tim Hortons and McDonalds have hair the colour of mine. We have seniors who can't afford to retire working minimum-wage jobs in the fast-food industry in our city. I don't know what it's like in your cities, but I think that's probably pretty common across the province.

If only it were just students—but now we have people working to support families working for minimum wage.

**Mr. Douglas C. Holyday:** You're not concerned about what happens to these students?

**Ms. Elaine MacDonald:** If the students have a little bit more money, well, my gosh, maybe they'll be able to save it and afford the post-secondary education that has been so constrained and constricted in the province.

**Mr. Douglas C. Holyday:** Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you.

**Mr. Douglas C. Holyday:** Anybody else?

**The Chair (Mr. Kevin Daniel Flynn):** No, actually, we're out of time.

Thank you, Elaine. Thank you very much for coming today.

**Ms. Elaine MacDonald:** I thank you very much for the opportunity.

**The Chair (Mr. Kevin Daniel Flynn):** Our pleasure.

#### ONTARIO NURSES' ASSOCIATION, REGION 2

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation this morning is from the Ontario Nurses' Association: Anne Clark. Cathryn, are you coming up at the same time?

*Interjection.*

**Ms. Anne Clark:** We are from the same organization.

**The Chair (Mr. Kevin Daniel Flynn):** Okay.

**Ms. Anne Clark:** If you will indulge us.

**The Chair (Mr. Kevin Daniel Flynn):** Have a seat. Make yourselves comfortable. Like everybody else, you each get 15 minutes. Use that in any way you see fit. After the first presentation, the round of questioning will go to the NDP. After the second presentation, the questioning will go to the government side.

If you'd introduce yourselves for Hansard, so we know which one of you is who on the audiotape, that would be great.

**Ms. Anne Clark:** Thank you very much.

**The Chair (Mr. Kevin Daniel Flynn):** It's all yours.

**Ms. Anne Clark:** Thank you, and good morning. Can you hear? I'm Anne Clark. I'm a registered nurse, and vice president for region 2 of the Ontario Nurses' Association. Region 2 goes from Cornwall through to Scarborough and up to Haliburton.

I've worked full-time as an RN in the hospital sector since 1980. I have nursed at the Queensway Carleton Hospital in Ottawa on a combined urology, orthopedics and general surgery unit for over three decades, though I've seen many changes.

ONA is Canada's largest nursing union, representing 60,000 registered nurses and allied health professionals, as well as more than 14,000 nursing student affiliates, primarily providing care in hospitals. The standing committee has heard from a number of registered nurses affiliated with ONA who have detailed the significant challenges to the delivery of safe care for hospital patients in communities across Ontario and for residents in our long-term-care facilities.

You have heard that hospitals have responded to budget restraints with cuts to RN positions and the implementation of staffing models that have replaced RN care with less-qualified staffing. You have heard how this underfunding of hospitals results in fewer RNs, which hurts patient care.

This morning, I want to talk to you about the challenges in the Ottawa area and provide you with the evidence, with some stories from the front lines that will demonstrate the urgent need for more registered nurses in our hospitals to meet the increased care needs of our very complex and unstable patients.

You now know that the ratio of RNs per 1,000 Ontarians is the second-lowest RN-per-population rate in Canada. Ontario has seven RNs per 1,000 population, compared to 8.3 RNs per 1,000 population in the rest of Canada.

**0920**

First, we are calling for an end to underfunding hospitals; 0% for hospital base budgets does have to cease. Funding for hospital base budgets must cover the cost of inflation and the growth in population. Multiple years of funding hospitals below the cost of inflation and population growth is creating high-risk situations—

**Ms. Catherine Fife:** Excuse me. Mr. Chair, can you please have the conversation taken offside? I want us to pay full attention.

**The Chair (Mr. Kevin Daniel Flynn):** Doug? Excuse me, gentlemen. Could we keep it down?

**Ms. Anne Clark:** Thank you very much. I appreciate that.

Multiple years of funding hospitals below the cost of inflation and population growth is creating high-risk situations for patient care.

Second, to begin to address the consequences of the gap in RN care, we are calling for the government to have a funded plan of action to hire more than 17,500 RNs in Ontario to stabilize our care with that provided in the rest of the country. Ontarians have lost millions of hours of care from cuts to RN care in hospitals as a result of a two-year funding freeze for hospital base budgets. You have heard by now multiple times that higher levels of RN staffing in hospitals are essential to care for patients with complex and unpredictable outcomes, who are really the only people we now have in our hospitals.

Studies show that adding one patient to a nurse's average caseload in acute-care hospitals is associated with a 7% increase in complications and in patient mortality.

We also know that RN staffing is associated with a range of better patient outcomes, from reduced infections and other complications to unplanned extubations. Remember, these are critical situations for patients in hospitals.

More than 1.5 million hours of RN care last year alone—that's 1.5 million hours of RN care last year alone—was cut from Ontario's health care system as a result of underfunding and cuts, which completely ignores the evidence linking RN care to improved health outcomes for our patients.

I'd just like to share a story with you to illustrate the consequences for patients when they are rushed out of hospital.

Patient Joe was found to have an anomaly in his heart and required urgent surgery, both a valve replacement and bypass surgery.

After Joe's surgery, he is sent to ICU. They have difficulty getting Joe's heart rate to regulate. He has a central line, an arterial line, and is also on a cardiac monitor. This requires highly skilled RN care. Joe stays in ICU for three days. Still his heart does not stabilize, and on the third day they take Joe back to the OR for a pacemaker insertion.

Direct from the OR, they send Joe to a surgical floor, as there are several patients waiting for ICU beds in emerg, and, believe it or not, they are more unstable than Joe, who is still unstable. Joe stays on the surgical floor for two days, including his post-op day, and on the third day he is discharged home.

Joe is sent home on Coumadin, a blood thinner, and a variety of other medications. He has been given inadequate education on what to watch for because of the lack of time and the amount of pressure the RN looking after him is forced to deal with every day.

Joe is very weak, tired and lethargic, as is somewhat expected after two surgeries, and this does not get better; it only gets worse. Joe has a nosebleed. Luckily, a family member who is a nurse tells Joe to go the emergency.

It took several trips to and from the ER, to the lab and to the doctor, and several blood transfusions, to get Joe's blood levels back close to normal.

Now the surgical site on his left leg from his bypass started to weep; it was now infected. Joe found a family health clinic with a nurse practitioner, who started treating Joe's leg and doing the health teaching he should have got. It took months and months for Joe to recover to the point where he felt somewhat normal and able to resume his previous life.

This is the cost of budget cuts in our hospitals and not enough RN care with our patients.

Let me turn now to talk about cuts to RN care in our hospitals in Ottawa. The Ottawa Hospital laid off a large number of experienced RNs in leadership roles a year ago, to create another level of management: assistant managers for all in-patient units. They took away front-

line, hands-on nurses to create more management positions. This has resulted in an increased workload for the nurses to meet their patients' needs.

At the same time, the Ottawa Hospital closed beds on many of the in-patient units. They didn't actually remove the beds, but they created flex beds to be available during a surge. As a result, these closed, unfunded beds are always open, with no increase in staffing or decrease in patients for the complements of RNs left. Occupancy is frequently greater than 100%. The Ottawa Hospital is anticipating another funding shortfall in 2014-15, in part as a result of the frequency of these unfunded beds being utilized on a regular basis—in fact, almost daily.

You have also heard about independent assessment committee hearings, where front-line RNs have identified ongoing professional practice and patient workload concerns affecting the level of care in their specific hospital units.

Before we reach the hearing level for workload concerns, front-line nurses complete professional practice patient workload forms in which they document their concerns. At the Ottawa Hospital, there have been 230 professional practice concerns filed in 2013, an increase of approximately 100 over 2012. These forms are an indicator of unsafe and unmanageable patient care because there are too few RNs.

The Ottawa Hospital has significant difficulty staffing, for example, the emergency department. It often results in increased workload issues and patient safety concerns, hence the workload forms. This has resulted in increased novice staff working rather than experienced RNs, and just increased issues. The hospital has laid off one of its educators, so that there is only one educator at each of the general and civic campus emergencies. As a result, the Ottawa Hospital has had its pay-for-results funding cut over the last two years over its inability to meet the provincial wait-time targets.

The impact on patient care I am talking about is entirely consistent with the research literature. Studies show that the cost of increasing registered nurse staffing in hospitals is associated with cost savings achieved by reducing adverse outcomes and length of stay in hospital, and avoiding patient deaths.

Improved RN staffing has been shown to prevent a range of complications, to mitigate complications through early intervention and to lead to more rapid patient recovery, which creates savings, let alone saves lives. Studies show the savings generated by this to be almost \$60,000 for each additional RN added.

Freezing hospital base budgets below the cost of inflation and population growth is cutting funding for patient care. Ontarians experience first-hand the impact of reducing funding and reducing the number of nurses: It hurts the quality of the care they receive and the quality of care that RNs want to give.

The current reality is that the nurse-to-patient ratio in Ontario is unsafe, unmanageable and dangerous for patients. Patients in acute care have complex medical issues with multiple health conditions that require the broad

scope of practice, skills and experience that RNs bring. Hospitals are experimenting with alternative staffing due to extreme budget constraints, but it is clear from the evidence that alternative staffing models cannot replicate the level, nature and complexity of care provided by RNs.

Immediate changes to the funding model for hospitals are essential to properly staff hospitals with registered nurses to meet the care needs of increasingly acute patients.

We hope our stories help you to better understand why we need more RNs in Ontario hospitals. Our patients can't survive without it.

Thank you very much.

**The Chair (Mr. Kevin Daniel Flynn):** Very good. Thank you, Anne. You've left about two and a half minutes for questions, Catherine?

**Ms. Catherine Fife:** Thank you very much, Anne, for your presentation. It has been a common theme across the province, on the health care funding, that the model needs to be revised, with a priority to front-line patient care. We have heard consistently that middle management and administrative budget lines are expanding, though, in health care. Is this something that you can comment on? Because it does speak to reprioritizing patients throughout the province.

0930

**Ms. Anne Clark:** We have seen an increase in management-level positions. When the cuts came in the 1990s, a lot of the management-level positions were eradicated, and too many were eradicated. We still need a certain level of management, but it has now increased, I think, exponentially above what is required. For instance, the Ottawa Hospital actually cutting people—RN positions who actually do the hands-on, daily care for our patients—and replacing them with management is an indication of that trend, which I think happens throughout the province.

**Ms. Catherine Fife:** Yes, which compromises quality care.

**Ms. Anne Clark:** It compromises the quality of patient care, yes.

**Ms. Catherine Fife:** I just wanted to thank you for providing a cost analysis around early intervention and prevention care that RNs provide. Thank you very much for being here today.

**Ms. Anne Clark:** You're welcome.

**Mr. Michael Prue:** If I could just ask a supplementary on that. Getting rid of some management positions will not come anywhere near putting 17,000 new nurses—

**Ms. Anne Clark:** No; I agree.

**Mr. Michael Prue:** I've asked other people about the cost. I think if you did it all at once, it would be about \$1 billion. I know you're not asking for it all once, but it is quite a sizable amount of money. Other than getting rid of management positions, where should the finance committee look, either from other sources to take money away, or should we just look to increase taxation? It's got to come from one or the other.

**Ms. Anne Clark:** It doesn't have to happen all at once, but the cuts have to stop now so that we maintain what we have. I'll give you an example: Because of the short-staffing that occurs daily in most of our institutions, we have members who work overtime constantly. That is a huge cost to a hospital budget. If you had adequate staffing, and that was what people worked, the money they spent on overtime in this province would fund a good portion of those new RNs, and that needs to be addressed.

**The Chair (Mr. Kevin Daniel Flynn):** That's great. Thank you very much, Anne, for your presentation.

ONTARIO NURSES'  
ASSOCIATION, LOCAL 99

**The Chair (Mr. Kevin Daniel Flynn):** Let's move on to Cathryn. The floor is all yours: 15 minutes, the same as Anne. Use that any way you see fit. Any time at the end of this round will go to the government.

**Ms. Cathryn Hoy:** Okay, thank you. Good morning. My name is Cathryn Hoy, and I'm an RN at Kingston General Hospital, the ONA bargaining unit president and the local coordinator for Local 99. I am a bedside nurse still, and I also work as a clinical educator, developing future RNs.

The city I live in is my community. I have raised my children here and volunteered in the schools and minor sports. I've organized food drives for the food banks. I supported Breakfast for Kids. I tell you this because I want you to understand that my community is my family.

As a registered nurse, I—sorry.

**The Chair (Mr. Kevin Daniel Flynn):** Take your time. No rush; we're here all morning.

**Ms. Cathryn Hoy:** This isn't the politician part of me.

So as a nurse, I consider the patients I care for my family, and I want to ensure they get the support and resources they require and deserve. Honestly, it's becoming harder and harder each year.

ONA is Canada's largest nursing union. We represent 60,000 registered nurses and allied health professionals as well as 14,000 nursing student affiliates. These nursing students are important, and we want them to come into a supported environment. It's sad to see: They graduate, they work for one year, and they're gone, because the workload is too much for them. The pressure is too much for them. They don't have the rich resource of the senior RNs anymore to take the time to take them under their wing and to educate them.

You have just heard from my colleague who detailed the significant challenges of the delivery of safe care for hospital patients in the communities all across Ontario. We are no different here in Kingston.

You have heard that hospitals have responded to budget restraints with cuts to RN positions and implementing staffing models that have replaced RN care with less-qualified staff. You have heard how this under-funding of hospitals has resulted in fewer RNs, which in turn hurts patient care.

This morning, I want to tell you about the challenges that KGH has had to deal with related to unsafe staffing levels in the ICU. Patient-care issues at KGH in the ICU began in 2012 related to unsafe staffing levels due to a lack of adequate staff, skill-mix issues and the imbalance of experienced ICU RNs to new graduates. Some new staff were receiving insufficient orientation and mentorship, and with all the multiple new hires, the experienced staff were leaving. Morale was terrible, and there weren't enough people to support the new grads. These serious gaps in staffing resulted in patient safety and workload issues, and led to multiple hours of RN overtime to meet the needs of our patients.

The lack of adequate staff also prevents nurses from getting much-needed downtime, if any, through planned vacation or lieu time. Again, to the cost: This adds to the cost. People are working; they're getting hurt. There are increased costs there to the hospitals. People need their downtime. We don't have the nurses to replace us.

The RN vacancy resulted in high patient-to-nurse ratios. RNs were frequently caring for two or sometimes three critically ill patients at one time. In addition to caring for their own patients, they're trying to support the novice nurse who is working beside them, who is struggling with their workload and the numerous care requirements and interventions that occur with a critically ill patient.

Seasoned and experienced staff became burnt out, and new and novice staff were overwhelmed with the workload. RNs from both groups were choosing to leave the unit, further compounding the short-staffing issues.

There was a significant turnover of staff, both leaving the unit and new and novice staff being hired in. Overall, that staff turnover was 59%—again, added costs of reorienting these nurses instead of spending the money to care for the patients.

The challenge of staff turnover also resulted in decreased morale and a negative workplace culture. There were increased incidents of medical errors, unexplained extubations, missed treatments, falls and patient safety issues—again, cost-related. When things are missed, patients become sicker quicker, adding to more costs of tests and more nursing care.

The hospital was frequently unable to staff the unit to the required complement, and on several occasions the shifts were running short by several RNs. The lack of attention with KGH due to budgets ended up in an independent assessment committee hearing. This is the forum for front-line RNs who have identified ongoing practice issues and workload concerns affecting the level of care. This is all about the level of care. This is patient care.

Since the IAC was held in April 2013, as of this month almost all RN positions are filled. However, there are still several novice nurses in the unit who need time to gain experience and refine their skills, particularly in this very intense and fluctuating patient-care area.

It was a struggle to achieve the baseline and to ensure that the new staff were given the time and additional

training and education they required to be qualified and competent to work in this acute area. Bringing in new RNs takes time, resources and money, so morale does still remain a challenge.

Additionally at KGH, there are ongoing issues in the emergency department, where they are frequently in a state of gridlock. As of June 2013, as a result of the reduction of pay-for-results money the hospital received from the LHIN, the hospital has had to remove 70 hours a week—that's a lot of nursing hours—from the emerg department. There are often times in that ER that an RN is caring for four to five patients, including two or more level-2 ICU patients. If those patients were in the department, the ICU, it would be a 1-to-2 nurse-to-patient ratio.

RNs are struggling. At times, they're unable to meet their standards for reassessment, provide care in a timely manner, or ensure timely access to medications and treatments. It's difficult for them to triage and perform the initial assessments for the patients in a reasonable time when they arrive in the emerg department. We continue to address these workloads in the emerg department, and we possibly could be heading to another IAC.

Ontario has lost millions of hours of care from cuts to RN care in hospitals as a result of the two-year funding freeze for hospital base budgets. You have heard many times that higher levels of RN staffing in hospitals are essential to perform for patients with complex and unpredictable conditions.

My account of RN staffing and concerns about patient care in the ICU and in the emerg department can now be added to your other testimonies. These stories honestly give you substance, and support the studies that do show that the average caseload in acute-care hospitals is associated with a 7% increase in complications and in patient mortality.

**0940**

The impacts on patient care I am talking about are entirely consistent with the research literature. Studies show that the cost of increasing registered nurse staffing in hospitals is associated with cost savings achieved by reducing adverse outcomes and length of hospital stays and avoiding death. The current reality is that the nurse-to-patient ratio in Ontario hospitals is unsafe, it is unmanageable, and it can be dangerous.

Patients in the acute-care setting have complex medical issues with multiple health conditions. They require a broad scope of practice, skills and experience that RNs bring to their care.

I hope this helps you to better understand why we need more RN care in hospitals. Our patients deserve our highly skilled care.

You need to ask yourself, what is the value of being cared for by a RN? We go above and beyond the call of duty. We are the first to work and we are the last to leave. We are the heart and soul of caring. We will pass through your life in maybe just a minute, because that's all the time we have, but we will impact you forever. We are empowered; we work 12-hour shifts, and we may only meet you that one time, but you're number one to us.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much, Cathryn—great presentation. You've left about five minutes for questions.

Soo?

**Ms. Soo Wong:** Thank you very much to both of you for your presentation. As a former RN, I certainly know your issues. Let's make sure the committee knows the Ontario Nurses' Association. Your members are mainly from the hospital sector; am I correct?

**Ms. Cathryn Hoy:** My members? Yes. ONA's members, yes.

**Ms. Soo Wong:** I would say about 90% of your membership are in hospitals.

**Ms. Anne Clark:** Yes, but we have the other sectors as well.

**Ms. Soo Wong:** Very small, absolutely.

**Ms. Cathryn Hoy:** Yes.

**Ms. Soo Wong:** As you know, when the government changed the funding—because we have continued for the last two years to present increases to the health care sector, compared to any other ministry. There's enough data to show that community-based care is the right thing to do. My question to you is, have your concerns been shared with the local board of directors at the hospital?

**Ms. Cathryn Hoy:** Yes. They were done through the IAC process and multiple meetings.

**Ms. Soo Wong:** Okay. My next question is, are you aware that starting next week the social policy committee is reviewing the LHINs, which the hospitals are part of? I'm going to encourage you to participate in that conversation.

**Ms. Cathryn Hoy:** Okay.

**Ms. Soo Wong:** My other concern I have is your comment about the workers'—meaning your colleagues— injuries and being hurt. Can you not also share with the committee that the 12-hour shifts—because if you're working 11 hours—11 hours have been proven time and time again for patient safety but also worker safety as well. My question to you is, have you had a conversation in your organization, as ONA, with the Chief Prevention Officer? We are the only province in Canada to have a Chief Prevention Officer to prevent workers' injuries.

**Ms. Cathryn Hoy:** My comment to that would be that it's not the 12-hour shifts that are the problem; it's the 16-hour shifts. It's when we cannot leave and go home because there's no one to replace us. Those 12-hour shifts become 16. It's not our regular schedule that is the issue. There's continuity of care that comes with the 12-hour shifts, as opposed to the three eight-hour shifts, which is a bonus. But when there's no one to replace you or the shifts are running short because there's no staff to bring in, instead of working our 37.5, or 75 hours a week bi-weekly, we're working 100 hours. That's where the injury comes in. When there's no one to replace us to take our breaks on a 12-hour shift, or we're staying an hour late because a patient is coding or a patient is too sick to go and the nurses are getting reports, that's when the issues are coming in. It's not our day-to-day work schedule that is the issue.

**Ms. Soo Wong:** Okay. I'm also interested to know, because the Ministry of Labour also has increased the number of inspectors across the province to inspect workplaces, and I'm aware that the health sector is considered high risk: Has your hospital been inspected by a WSIB inspector of the Ministry of Labour with regard to some of the injuries of your colleagues?

**Ms. Cathryn Hoy:** I'm not involved in the joint health and safety committee, but we do have representatives from ONA on it. What has been reported back to me is that our hospital has complied with everything, as far as the joint health and safety.

I'm not saying for a moment that it is the position of the hospital, or that they are putting us in an unsafe environment. I am saying that we do not have enough RNs to cover the shifts.

A lot of times, they can have a baseline with an RN-RPN ratio, but the acuity on the floor changes shift to shift, so the level of care changes shift to shift. Often, on our shifts, we have to change our patient assignments. Or someone calls in sick and there isn't someone to replace us.

You just cannot clock out at 1900. You cannot leave; we can't. We have to ensure that the patients are safe, and this is where the issues come in.

**Ms. Soo Wong:** I really appreciate you sharing your information with us, and I certainly encourage you to continue to advocate for your patients. Thank you for your presentation.

**Ms. Anne Clark:** Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Anne. Thank you, Cathryn. Thank you for everything you do on a daily basis, and thank you for coming today.

**Ms. Anne Clark:** Thank you. We do it because we love it.

**The Chair (Mr. Kevin Daniel Flynn):** It shows.

#### PATRONS OF OUR COUNTY HOSPITAL

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation this morning is from Patrons of Our County Hospital. Al, David and Betsy, if you'd like to come forward. Make yourselves comfortable there.

**Ms. Betsy Sinclair:** We do have copies of our presentation.

**The Chair (Mr. Kevin Daniel Flynn):** We're going to get them from Katch, our Clerk. Make yourselves comfortable. Like everybody else, you get 15 minutes. Use that any way you see fit. If there are any questions at the end of your presentation, this time they will come from the Conservative Party. If you would introduce yourselves before you speak, so that the people who are taping this know who's speaking. The floor is all yours.

**Mr. Dave Gray:** Good morning, members of the committee. Thank you for allowing us to make this presentation. My name is Dave Gray, and I speak for POOCCH, which is short for Patrons of Our County Hospital.

POOCCH is a community-based group of volunteers whose mission is to protect, improve and promote our

hospital and to serve the people of Prince Edward county, which includes a large number of senior citizens.

Government budgets are more than dollars and cents. It is government's obligation to its citizens, especially seniors, to provide the best care possible at rural hospitals. Lately, these obligations have been waning. The Ontario government has been cutting services and funding to rural hospitals.

People who live in the country who have to get to a hospital have to contend with distance, weather, transportation and other costs. Some are struggling on government pensions as their only income, and many do not drive. Urban residents have a good public transportation system for their needs.

Residents of Prince Edward county treasure their house of healing, supporting it by fundraising and donations, providing our doctors with the tools required to provide the best services possible for their patients.

Governments should realize that it is immoral, and also political suicide, to cut beds and services to rural residents. I urge our government to find other ways to cut expenses, so rural hospitals can provide the care that the residents require and should receive.

My last word is, experts are only experts when their ideas work.

I turn it over to the Rev. Al Reimers.

**Rev. Al Reimers:** Ladies and gentlemen, a little history: Tommy Douglas was a Baptist minister who became Premier of Saskatchewan. He had lived through the Great Depression, the crop shortage years of prairie dust storms, and the sacrifices of World War II. He knew the effects of poverty on the health of ordinary citizens. So in 1947, the Douglas government passed the first province-wide health care legislation. By 1961, the other provinces had similar laws, and within a few more years the federal government was giving some financial assistance. The major conditions for federal grants changed in 1977 and again in 1984, and there have been some smaller changes since then.

**0950**

In effect, our culture has said a qualified "Yes" to the ancient question, "Am I my brother's keeper?" The basic principle of the Canada Health Act is that all Canadians be equally eligible for subsidized health care, so that no family will have to sell its home in order to meet sky-high medical bills. We believe that continuance of the single-payer, non-profit health insurance system is a sensible approach to the reduction of some administrative costs.

We know that now, in Ontario, the system eats up 44% of the provincial budget. In meeting the need for cost reductions, the simplest way would be to cut all allocations by a straight percentage. However, rural and urban service areas are different, and not all hospitals are created equal. So we are here to request special consideration for Prince Edward County Memorial Hospital.

It is ironic that county people love their hospital but have little love for the way it has been treated within the current health care system. This past November, the Na-

tional Research Corp. and the Ontario Hospital Association released a report that named Prince Edward County Memorial the top-performing hospital in Ontario for overall care in acute in-patient care in community hospitals and in the 90th percentile in all hospitals combined. That includes all small community and academic hospitals. Yet there is great public antipathy towards the Ministry of Health and the Quinte Health Care Corp., within which our hospital exists. Why is this? It is because of two serious political errors. First, a Conservative government forced our rural hospital into amalgamation with an urban hospital; and then a Liberal government continued the policy in a heavy-handed way, disenfranchising all the people of the county who, up till then, had been members of the hospital corporation and were qualified to vote for directors.

This erosion of the democratic process has since been followed by a number of cuts to medical services in our hospital that have been made with little or no public consultation. Our vice-chair, Betsy Sinclair, can tell you about services we have lost and some of those that we would like to have back, but first let me note that this past November, our current Premier told a national audience, "I believe in local governance."

**Ms. Betsy Sinclair:** Good morning. My name is Betsy Sinclair and I would like to talk to you about Prince Edward county, which is, in reality, an island, and therefore can be viewed as a microcosm for the study of how health care initiatives over the past 16 years have impacted our community.

The perception in the county is that we have been reduced from a rated B2 hospital to a first aid stop on the way to Belleville General. We need hospital services returned to the county based on the needs of our community, and here is why: We have lost general surgery; the lab; the phlebotomist technician; our dietician; outpatient physiotherapy; in-house food preparation; our chaplain, who was on call 24/7 for only a small stipend; maternity; and 30 hospital beds—and with those services and beds went the nurses and support staff that contribute to a vibrant and functioning hospital. We are left with an updated emergency ward—at a total cost of \$4 million, of which \$1.2 million was paid by the hospital foundation—radiology and patients lining the halls on busy weekends. On the books to be cut is endoscopy—and the reduction of acute-care beds down to 12.

We have been told that Prince Edward county is going to have a new hospital. The Prince Edward Health Alliance has been working on this plan for years, only to have the plan rejected over the number of beds purposed. The plan was put forward again, and we are awaiting an announcement supposedly next month as to its viability. We have also been informed that even with the acceptance of this plan, we are looking at 15-plus years before it is operational.

We are an aging population. The warden's report of 2007 and the 2011 Canadian census confirmed that the county's senior population was greater than that of the surrounding counties by 25.2% and greater than the provincial average, which was 14.8%.

From 1998 to the present, the centralization of services at the expense of our county hospital has been ongoing. Concern and complaints are met with greater centralization, as if by more micromanagement the problems can be cured. What you don't seem to realize is that your ongoing policy of speaking calming words while unilaterally destabilizing health care services has created a credibility issue with serious ramifications.

First, it is destabilizing Prince Edward county. If Prince Edward county is ever to develop beyond a tourist- and an agrarian-based economy, we need better, not worse, hospital services. Often overlooked is the fact that a hospital is a key factor when business and industry are looking for sites to expand their operation and in turn attract skilled workers.

Second, we believe that the constant repetition of the mantra that centralization is saving money is absolute nonsense, for all but a few specialized services. For most aspects of health care, local availability and access to hospital services that support the patient-practitioner relationship are cost-effective because they minimizes the need for high-cost intervention.

It has also created adversarial labour relations, rigid bureaucratic rules and structures, and an unnecessary proliferation of non-medical staff and public relations expenditures and centralized positions.

To stay afloat, you must continually cannibalize services. You only achieve savings by offloading health care-related costs onto patients, their families and the local community.

Third, it is bad governance. The feeling of powerlessness is at the heart of county concerns. The regional governance model pits incompatible interests against each other and it lacks even the most basic accountability to the people it is supposed to serve.

The cumulative effect of the last 16 years is that when it comes to our hospital, the present government has irretrievably lost credibility with the Prince Edward community. It is a failed organizational experiment. There is a definite disconnect between what you think is happening and local reality. We are very concerned about the impact of any proposed budget cuts and how they are going to affect our hospital's abilities to meet the needs of our community.

We thank you for this time.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Betsy. You've left a little bit of time for questions, between two and three minutes, starting with Steve.

**Mr. Steve Clark:** Thanks very much for your presentation. I was very concerned. I was elected in 2010; my riding encompasses the Brockville General Hospital, so we were part of that cluster of hospitals where the LHIN was looking at changing services.

I have to tell that—and I've spoken to your MPP, Mr. Smith, about this as well—the frustration that communities had with the LHIN. I was getting brown envelopes from doctors and front-line workers that were showing me the plans to remove general surgery from some of these smaller hospitals and have them gravitate to the larger centres like Kingston and Belleville.

I guess my frustration, and I'd like you to comment, is—I'm in a unique situation where I have two LHINs that cover my riding, the South East LHIN, which I had a horrible relationship with in 2010 and 2011, and the Champlain LHIN that covered a little portion of my riding that included the Kemptville hospital. The Kemptville hospital dealt with Champlain, and Brockville dealt with South East. The frustration that I had with the South East LHIN was, again, this certainty. They wouldn't come to the table and tell you the exact plan. It was sort of a death by a thousand cuts.

I'd like to hear from the Prince Edward community whether you feel that same frustration with the LHIN, not getting a straight answer about what the plan is, and what funding Prince Edward would receive.

**1000**

**Rev. Al Reimers:** The simple answer is "Yes."

**Mr. Steve Clark:** The other question is—and I've just seen it in some of my two hospitals—is there an increased pressure that the LHIN and the government have caused on things like hospital foundations? Is your hospital foundation now raising funds for things that used to be covered by the government in the past?

**Ms. Betsy Sinclair:** One of the problems that I believe our foundation is having is that, because of the rejection of Prince Edward County Memorial Hospital as a viable hospital in the LHIN's eyes, people are reviewing their donations. They are not giving as much. It is harder to get money for the foundation, and we have been told that a number of citizens who have put requests within their wills—which was quite common in the county—have either changed their will or indicated that they will no longer be supporting us.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much for coming today. It really was appreciated. Betsy, Mr. Reimer, Dave, thank you.

**Ms. Betsy Sinclair:** Thank you very much.

**NATIONAL AIRLINES  
COUNCIL OF CANADA  
INTERNATIONAL  
AIR TRANSPORT ASSOCIATION**

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation this morning is from the National Airlines Council of Canada. Marc-André, if you'd like to come forward and make yourself comfortable.

**Mr. Marc-André O'Rourke:** Good morning.

**The Chair (Mr. Kevin Daniel Flynn):** Okay. If you'd like to make yourself comfortable, we'll see if we can get that hooked up for you. If not, we'll just have to proceed without it.

**Mr. Marc-André O'Rourke:** Yes, absolutely.

**The Chair (Mr. Kevin Daniel Flynn):** No problem.

**Mr. Marc-André O'Rourke:** Where is the—well, why don't we get going? It's not the end of the world.

*Interjections.*

**Mr. Marc-André O'Rourke:** Good morning. Sorry for the delay.

**The Chair (Mr. Kevin Daniel Flynn):** No problem. If we can get it going the first time, that'd be great.

**Mr. Marc-André O'Rourke:** Yes, and there's really not much. It's just easier to follow if we highlight certain things.

**The Chair (Mr. Kevin Daniel Flynn):** Okay.

**Mr. Marc-André O'Rourke:** Okay. Mr. Chairman—

**The Chair (Mr. Kevin Daniel Flynn):** Thank you. The floor is yours for 15 minutes. Use it in any way you see fit. Any time that's left over will come from the NDP, if there's any time for questions.

**Mr. Marc-André O'Rourke:** Perfect. Good morning, and thank you for the opportunity to be here this morning. My name is Marc-André O'Rourke. I'm the executive director of the National Airlines Council of Canada. In partnership with our colleagues from the International Air Transport Association, who unfortunately couldn't be here this morning, we're very pleased to be a part of these consultations.

I want to take a few minutes to explain why it makes sense to eliminate Ontario's tax on aviation fuel. Just to be clear, we're talking about the tax that's applied to flights that leave Ontario and go to the United States or other international destinations, so it's the international component of the aviation tax. I hope to make a compelling case, and then answer some questions.

By way of background, the National Airlines Council represents the four large airlines in Canada: Air Canada, WestJet, Air Transat and Jazz. Our mandate is to promote safe, sustainable, competitive air travel. Collectively, our members carry over 50 million passengers. We hire directly over 43,000 people, and as an industry, we support well over 200,000 jobs. We're also by far the largest users of Ontario's leading airports, Toronto Pearson and Ottawa Macdonald-Cartier.

IATA is the world's leading air transport association. It represents over 240 airlines.

There's no question that the economic benefits of aviation are significant. However, they could be much better. Ontario, sadly, is leaving a lot of money on the table, a lot of jobs on the table. We don't need to look much further than the five million-and-growing Canadians who decide to hop in their cars and drive across the border in search of lower airfares from US border airports. We could also look at the significant decrease in international tourists to Canada: Canada fell from seventh in 2002 to 16th in 2012.

As an industry, we have great reason to be concerned with the approach of simply downloading taxes and fees on the industry. Given the margins, they unfortunately are passed on to the passenger.

When we ask a public treasury to forgo some revenue, what becomes obvious is that we're asking the taxpayer to make an investment. When we do so, we hope that that investment will provide some returns—maybe not in the short term, but at least in the medium and long term. As such, if we're going to ask for this commitment, then we'll provide a return on investment.

In the documents you have, you'll find enclosed a report from economist Fred Lazar at York University

that's going to highlight some of the benefits of eliminating this Ontario fuel tax. I'm going to highlight a few of them in a minute.

I just want to clarify what we're talking about here. We're talking about the 2.7 cents per litre that is taxed on flights that leave Ontario—so the Thunder Bay-Chicago flight; or an Ottawa-London, England flight; or a Toronto-Los Angeles flight. Ballpark numbers: We're speaking about two billion litres, which is roughly revenues of \$50 million for the province. These revenues are directed to the Consolidated Revenue Fund, and unlike the vehicle fuel tax, they're not reinvested into the provincial airport system. It's also important to note that Ontario has no sales tax on airfares for flights that go outside the country.

Some of the benefits of eliminating this aviation fuel tax—and we'll discuss them very briefly: It would harmonize Ontario with other jurisdictions, it would provide economic benefits for the province, and it would be a great show of support for Ontario's airports. Just to put this into context, most Canadian provinces do not have or have recently eliminated this similar tax—Alberta in 2004 and most recently British Columbia in 2012, and I'll spend a bit of time speaking about British Columbia's efforts. I've also highlighted that some of Ontario's neighbours also have no tax: New York state, Minnesota, Vermont and Ohio.

Speaking of British Columbia, in 2012, the government took a serious look at this and decided that, as part of its job plan and aim to add more flights and give BC businesses greater access to growing economies in China, Japan, Korea and India, eliminating their aviation fuel tax was important. The BC government estimated that each new international flight, even one, would create between 150 and 200 new jobs. The BC government also recognized that it needed to increase its province's competitiveness and bring it in line with neighbouring jurisdictions, such as Alberta, Washington and California, which did not have this tax—which is a similar situation Ontario finds itself in.

Some of the benefits we can see if we do eliminate this 2.7-cent tax are—again, it's important to remember that aviation is part of a high-value chain. We're this engine that brings people to Canada, that opens markets for businesses. Given that the estimates are for the additional economic input to be between \$70 million and \$138 million and we could see an increase of almost 200,000 new passengers, 52,000 more tourists—and they're spending, using our hotels and our recreational facilities. It could create almost 2,000 new jobs for a relatively small investment.

**1010**

With respect to consolidating the strength of our airports, it is important to note that Toronto Pearson, as you can appreciate, is an important part of not only Toronto's but southern Ontario's economy and the country as a whole. Toronto Pearson is in competition with the Chicagos of the world, the Detroits and the Minnesotas, as major hubs, and eliminating this tax would go a long

way to consolidating Pearson's status as a major hub in the world.

Again, and I'll speak of this a bit more on the next slide, reducing this tax has proven to attract new services, and it creates jobs.

Again, to touch upon the BC experience, despite facing fiscal challenges, British Columbia decided this was the right thing to do. They've recognized the value of aviation as an engine and they have seen concrete examples of airlines adding flights. I've cited a few examples here. There's a new Lufthansa flight to Munich, there are new flights to China, and these are, at least in part, and in big part, related to the savings that airlines now have when they fuel in Vancouver.

In closing, I just want to highlight a bit of what we believe the aviation industry is. It's this goose that keeps laying golden eggs for the government in terms of revenue, in terms of jobs, in terms of stimulating the economy, and what we are asking for, what we think is right, is for governments to view the industry as this engine, as this goose, and let's make sure that we don't end up cooking or killing our goose.

*Laughter.*

**Mr. Marc-André O'Rourke:** I got a few laughs, I guess.

In closing, we believe there are compelling reasons to eliminate this tax. For a relatively small investment—I sometimes feel a bit silly when I'm here and I hear about our hospitals, but it's a relatively small investment—it helps the economy, it does create jobs and it does bring new services to our airports in Ontario. I think it's the right thing to do and we would ask you to consider it.

**The Chair (Mr. Kevin Daniel Flynn):** Very good. Thank you, Marc-André. You've left about four and a half minutes. Catherine or Michael?

**Ms. Catherine Fife:** Interesting presentation. How many years have you been advocating for this change, and can you give us some sense as to, when you go to the government to have this conversation, what is the counterpoint or what is the feedback that you get?

**Mr. Marc-André O'Rourke:** On this particular issue, we have been bringing this up every year for several years. Most of our issues are with the federal government. To answer your question, my sense is recently that we're getting some traction. There is a recognition that there's a problem with the approach of simply downloading and adding taxes and adding fees to the airfare. I think there's a recognition that it's causing people to go elsewhere, to go to our border airports. The problem is, the government is struggling on how to fix that. The federal government is focused on balancing the budget. I get a sense that once that's done, they may turn their attention to our industry and give us a bit of breathing room.

There's no denying that governments enjoy or prefer the user-pay approach to aviation, which is fine, which was fine maybe 20 years ago, but unfortunately, it has led to Canada being uncompetitive when other countries don't have the same reliance on the user paying for the system.

**Ms. Catherine Fife:** And you did mention that BC was in a similar position. They were addressing some of their fiscal challenges, and they still did it. Can you give us some sense as to the return on investment for BC? I mean, you go through some things, but—

**Mr. Marc-André O'Rourke:** I don't have—

**Ms. Catherine Fife:** You don't have jobs numbers in BC?

**Mr. Marc-André O'Rourke:** I don't have the exact jobs at the time. What I do know is that they were estimating—I think I mentioned it—152 to 200 jobs per new flight. They received a new Lufthansa daily service from Munich in May 2013, and that was supposed to bring 15,000 new visitors to the province, again, using the hotel's spending, doing business.

**Ms. Catherine Fife:** Okay. Thank you very much. Do you have any questions?

**The Chair (Mr. Kevin Daniel Flynn):** Anything, Michael?

**Mr. Michael Prue:** This will have an effect on Canadian-owned airlines but will also pad the profits, I guess, of foreign airlines as well. I mean, what you're asking us to do is to drop a tax that benefits all Ontarians—\$50 million. It will increase the profits and the profitability of airlines, some of which are Canadian-owned and based here, some of which are offshore. You cited Lufthansa; you cited Chinese airlines and others. I'm just trying to get my head around—I know that they come here; they bring people here. But it will also help their bottom line.

**Mr. Marc-André O'Rourke:** I think we have to be a bit careful. Studies have shown, and practice has shown, that given the nature of the industry, given the razor-thin margins—and they truly are razor-thin margins—any savings are generally passed on to the passenger. So the hope is that this won't go into the pockets of airlines. It will reduce airfares, or at least give some breathing room to do so, because airlines have the greatest incentive to reduce their airfares.

Again, there's a study that came out in the fall, and, historically, any savings—I can't say all of them with a straight face, but most of them—find their way to the passenger. We all benefit from lower fares. We benefit from more services, more connections, more destinations.

**Mr. Michael Prue:** Okay. Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Very good. Thank you very much for coming today.

**Mr. Marc-André O'Rourke:** My pleasure. Thank you for having me.

#### ALLIANCE TO END HOMELESSNESS

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation this morning is the Alliance to End Homelessness. Mike, if you'd like to come forward. Make yourself comfortable anywhere you like. I think there are some clean water glasses there and some water if you need it. Like everybody else, 15 minutes. Use that any

way you see fit. If there's any time left over, it will go to the government side this time. It's all yours.

**Mr. Mike Bulthuis:** Good morning. Do I need to turn this on?

*Interjection.*

**Mr. Mike Bulthuis:** There we go. Thank you.

Good morning and thank you for the opportunity to be here with you this morning. My name is Mike Bulthuis, and I recently joined the Alliance to End Homelessness in Ottawa as its executive director.

The Alliance to End Homelessness in Ottawa is a non-profit, non-partisan association with 43 organizational and individual members. All of our members greatly appreciate the essential role that the province of Ontario plays and the successes that they and we together achieve in our community.

The alliance and its members represent a community committed to responding to the needs of Ottawa's homeless individuals and those who are at risk. Through recent events, I think we've again seen our local citizenry's concern about homelessness and strong desire to find solutions. There is, however, growing frustration, as resources are not meeting demand.

I want to introduce Ottawa's new 10-year housing and homelessness plan. During 2012 and 2013, as required by the province, the city of Ottawa convened the community in consultations towards developing a new 10-year plan to address housing and homelessness. Ottawa's plan articulates a number of goals, including, by 2024, ending long-term homelessness. This is to be done by employing a housing-first approach, working for emergency shelter stays of only 30 days or less. These goals are ambitious and they're bold, but they're achievable, and they're worthy of broad support.

Consider our current scenario: In 2012, for the over 7,000 individuals and family members who used a shelter in Ottawa alone, the average length of stay was 68 days. That included an average stay of 88 days for families, a length more than double that of only six years earlier.

A 2013 study found that 12% of individuals accessing Ottawa's shelter system between 2004 and 2007 were doing so repeatedly or for long periods—many for years—consuming 52% of shelter bed spaces. The same study found a similar pattern of shelter bed use in Toronto. Ending homelessness for these shelter users could return our shelter system to its emergency orientation, responding to emergencies like fire, family breakdown, illness and so on.

#### 1020

We know that ending homelessness is not only good social policy; it's good economic policy. We pay in economic terms for homelessness every day. When individuals and families are homeless, their health declines, they're more likely to have injury, they are more likely to come into contact with law enforcement, and their school success suffers. We all know that the better strategy is to invest in housing stability and long-term solutions. However, the high cost of affordable housing makes it a particular challenge. So how do we get there?

The alliance regards the articulation of goals in our 10-year plan as an important step. Indeed, since 2009, we have identified four interrelated targets, based on evidence of how we're doing in real terms, that, if achieved annually and over a 10-year period, could enable Ottawa to effectively end homelessness for individuals and families. Our targets are in the information you have:

- to reduce the number of people using shelters each year by 500;
- to reduce the average length of stay by three days every year;
- to create 1,000 new affordable housing options each year; and
- to make housing more affordable for people in low income by improving their incomes.

In 2012, results for each target kind of varied. While only 139 new affordable rental units were created, 600 households were helped with new rent supplements from the city, in part made possible by the provincial upload. In other areas, average length of shelter stay and numbers in shelters were simply holding steady; there was no progress. Clearly, until there is a sufficient amount of new affordable housing and considerable improvement in low incomes, we will struggle to gain ground. Indeed, achieving our 10-year goals of the new plan passed by the province, and those of the plan, will require enhanced initiatives. To that effect, we identify five recommendations, including some at virtually no cost, as follows.

Our recommendations are in three categories, and the first are strategies for new supply. From 2004 to 2012, only 1,232 new-built affordable housing units were added in the city of Ottawa. However, 30% of our renters experience core housing need and 10% of our renters are paying more than 50% of their income on monthly shelter costs. In fact, 37,000 renter households have annual incomes of less than \$25,000. Our 2.9% rental vacancy rate at the end of 2013, quite frankly, is doing little for those who need affordable housing. CMHC has shown quite clearly that rental condos, which are the bulk of our new rental supply, cost on average 25% more per month than purpose-built rentals.

Our first recommendation is that Ontario sign, as soon as possible, and commit to a renewed investment in the affordable housing agreement with the federal government, matching the five-year, 2014-to-2019 commitment announced by the federal government in 2013. Indeed, the development of new, non-profit and other good-quality, affordable rental housing will further stimulate construction, creating more jobs for the Ontario economy and increasing the number of affordable places for people on a low income to live.

We support the creation and maintenance of mixed-income communities across our city. We're pleased that the city of Ottawa, within our official plan, has a goal that 25% of new residential development be affordable. We're pleased to see the increased application of section 37 benefits pertaining to community benefits, and this principle of density bonusing. However, limited existing tools have made achievement of a 25% goal virtually impossible.

So our second recommendation is, as a low-cost proposal for the province, and to ensure consistency across our communities, that Ontario finally grant municipalities the express authority to implement inclusionary housing programs, ensuring that a specified percentage of housing units in all new housing developments of a minimum size contain or contribute to housing units that are affordable.

In terms of increasing incomes, in Ottawa in 2012, an individual who would be receiving Ontario Works would need a staggering 124% of their monthly receipt to cover the average rent for a bachelor apartment. An individual receiving Ontario disability support would find themselves in a situation only slightly better, needing 70% of his or her monthly income. These situations are inadequate and impossible; they leave individuals on benefits with little or no purchasing power to address basic needs.

The province increased social assistance by \$14 for single adults in 2013 and it increased the benefit rate for OW and ODSP by 1%. Unfortunately, over the same time period, from October 2012 to 2013, average market rents increased by an average of 2%. By raising assistance levels or introducing a housing benefit, as has been discussed in the past, the province could make affordable housing much easier to reach.

Our third recommendation is that Ontario adequately respond to the recommendations of the 2013 report of the Commission for the Review of Social Assistance in Ontario with a \$100-per-month increase to OW and ODSP, coupled with full indexation annually, moving forward.

Affordability for the working poor, who are not necessarily receiving provincial assistance, is a growing concern as well. In 2012, a full-time worker earning minimum wage in Ottawa required a full 46% of their monthly earnings to afford average rent for a bachelor apartment. That's an increase from 44% only two years earlier, arising from Ontario's minimum wage, which has been frozen since 2010.

We join with Health Providers Against Poverty and many others across the province, recognizing the difficult choices low-income earners face between paying for rent or paying for food, spending time with the kids or working a second or third job. So we call for implementation of a living wage.

Our fourth recommendation, as a low-cost proposal, is that Ontario move towards implementation of a \$14 minimum wage in order to place a full-time worker marginally above Ontario's poverty line. Right now, they find themselves far below.

Our fifth recommendation is around homelessness initiatives, and I know this is something that you've been hearing about from other delegations with regard to the Community Homelessness Prevention Initiative.

The elimination of the Community Start-up and Maintenance Benefit, and the capping of shelter per diems and an overall reduction in program funding, has left the city of Ottawa needing to allocate \$4.4 million from other important municipal funding envelopes, including other social supports related to home ownership and others, to

meet community needs. Even after they re-profiled this money and found it within existing, \$2.2 million in benefits have been eliminated.

In our efforts to end homelessness, moving the yardstick forward while investments fall back is a challenging proposition. Transition funding in effect from January 2013 to this March has been welcome.

So our fifth recommendation is, alongside a province-wide coalition, that the \$42 million in CHPI transition funding be made a permanent annual investment to address our critical housing and homelessness needs.

In conclusion, based on data from 2012 and based on nine-year trends related to shelter stays that the alliance puts together every year, we projected the costs facing the Ottawa community, if investments to end homelessness remain static and if trends continue. While actual expenditures on shelter by the province and the city combined were just under \$22 million in 2012, these numbers would be projected to rise to \$56 million by 2023. Clearly, there is a cost to doing nothing more than what is currently being done.

We call on the province to continue in its housing and homelessness investments, to demonstrate its firm commitment towards the full implementation of Ottawa's and the province's new 10-year housing and homelessness plan for Ottawa, with action on the recommendations noted today.

I thank you for your time.

**The Chair (Mr. Kevin Daniel Flynn):** That's great, Mike. Thank you very much for your presentation. You've left about four minutes for questions. Steve or Mitzie?

**Ms. Mitzie Hunter:** Thank you, Mr. Chair, and thank you so much for your presentation this morning and for bringing focus on a very important issue in our province and in our country.

Our government has put forward a long-term strategy for affordable housing and is moving towards that and has made investments. I do think that Canada needs an affordable housing strategy, and it's something that we should all continue to call for and ensure that there is provision made for that across the country.

I noted in your presentation—I've spent a couple of years in this sector, and there is this idea of inclusionary zoning. It's used in cities and states across the US to encourage private sector investment and involvement in the housing sector. I'm wondering if you can speak about what potential you see there and the benefits of inclusionary zoning.

**Mr. Mike Bulthuis:** We're doing a lot of analysis in terms of how many units this could bring to the community. I don't have those figures, but if we look at experience in the province of Manitoba, which just passed legislation last year, as I understand—and certainly the province of BC and other American cities, as you pointed out.

I think if we look at what we have been able to achieve thus far, through density bonusing with section 37—in the city of Ottawa, it's only really in the past year

that section 37 has been applied. I think we've seen maybe a handful of those community benefits go towards affordable housing. We certainly know that in the city of Toronto, the principal has been used for affordable housing a little bit more often, and we've seen, if I'm not mistaken, certainly millions of dollars go towards that.

I think right now, the unfortunate part is that we only really see that happening when we consider the uptake value of condominium towers. I think if we can apply that to the amount of rural farmland, especially in Ottawa, that is being converted into suburban land, I think it aligns well with the provincial strategies for intensification. If we look at the uptake value the developers would have as they convert that land into housing, we could certainly gain more units in that way as well.

In order for those units to be able to be affordable—sorry to use the word too many times—to those with the lowest incomes, I think we would need to supplement those with potential housing subsidies and so on. But I also think the principle of mixed-income communities is a really important part of that.

1030

**Ms. Mitzie Hunter:** Excellent. Do you have any thoughts on the administration of housing subsidies? I know that there are issues of wait-lists, and people are waiting a long time for access to affordable housing. You've noted in your presentation that some people are spending as much as 50% of their income on shelter. Any thoughts on how housing subsidies could be administered to help provide some relief?

**Mr. Mike Bulthuis:** I think that housing subsidies are proving to be a really effective tool right now, given the high capital up front that would be required for new stock. The challenge with our subsidies is tapping into a landlord market that is hesitant to engage some of the clientele that our members are serving. We're certainly looking for additional housing allowances and rent supplements, but with that, I think we need new tools to encourage and incentivize landlords to participate in these programs.

In the year 2012—our target is 1,000 new housing options each year—we reached about 886, but over 700 of those were through rental supplements and housing allowances. So I think they're a fantastic part of the tool box. I don't want to say they're the only tool.

**Ms. Mitzie Hunter:** Do I have time for one more?

**The Chair (Mr. Kevin Daniel Flynn):** You've got about 12 seconds.

**Ms. Mitzie Hunter:** Comment on new-build for purpose-built housing for people who are homeless, have developmental disabilities. What are the opportunities there?

*Interruption.*

**The Chair (Mr. Kevin Daniel Flynn):** Briefly.

**Mr. Mike Bulthuis:** Sure. I think the opportunities are that in doing so, we can address a shelter system that is simply overworked right now. I know; my own office is in one of our Salvation Army shelters.

I think that there is so much more federal and provincial policy that is focusing on bringing people who have been effectively institutionalized in our shelters out of those and into housing. We know that we have supportive housing and an affordable housing industry within Ottawa that is more than happy to support this clientele. Last year, the city's RFP was directed towards pulling 100 individuals out of the shelter system and giving them those supports. I think that is a fantastic first step, and we would love to see that grow.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Mike. Thank you very much for coming today—great presentation.

#### KINGSTON HOME BUILDERS ASSOCIATION

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation this morning is coming from the Kingston Home Builders Association. Jordan?

I will tell you the Ottawa Poverty Reduction Network is cancelled today, just so members know.

Jordan, would you like to take a seat? The floor is all yours. Fifteen minutes: Use it any way you see fit. Any questions will come from the Conservative Party this time.

**Mr. Jordan Van Leuken:** Perfect. Thank you. Mr. Chairman, members of the committee, good morning. My name is Jordan Van Leuken. I serve as president of the Kingston Home Builders Association and I am the planning manager and architectural technologist for Braebury Homes. We are proudly affiliated with both the Ontario Home Builders' Association and the Canadian Home Builders' Association. Thank you for providing the opportunity to speak on the upcoming budget.

The Kingston Home Builders Association is the voice of the new housing, development and professional renovation industry in Kingston, and our association includes approximately 160 member companies. The residential construction industry in Ontario supports over 322,000 jobs, paying over \$17 billion in wages and contributing over \$43 billion to the provincial economy.

The Kingston housing market experienced a decline this year in contrast to the population growth. Housing starts dropped by 5%, from 896 in 2012 to an estimated 850 in 2013. We are very concerned that CMHC is forecasting a further 15% decline to 696 starts in 2014. This will lead to a large drop in jobs, the purchase of local materials and overall contributions to the provincial economy.

The housing we build in Kingston does not just represent a roof over a family's head, but also thousands of jobs from skilled trades to architects, engineers and planners. The housing industry also generates huge numbers of indirect employment in other industries that include furniture and appliance manufacturers. It is important to note that most of the materials we use in new communities are locally sourced. We support Ontario's forestry sector with wood supply included in the homes

we build. Ontario's aggregate sector is also supported with the building's foundations and structures for multi-family dwellings our members build.

Our home-building industry as a whole is an industry that drives our local and provincial economy. In the past few years, this engine has been starved of fuel by over-regulation and over-taxation. Unless some maintenance is done, it may soon become an unsustainable industry.

Our hope is that, in the near future, young families and couples are able to afford a new home in Ontario. Housing is a necessity, just as health care is. We remain concerned about the broader economy, as some sectors have not fully recovered from the recession. When consumers are not confident, unemployed or lacking job security, they do not invest in a new home or renovate their existing home. This is why my deputation today is going to focus on the economy, job creation and ensuring a fair, transparent and evidence-based planning process.

The KHBA also represents the professional renovation sector, and our members are competing against underground cash operations. These operations do not pay WSIB premiums, GST or HST, and do not file income tax or corporate tax returns. The unregistered cash operations are currently rampant in our industry. They put themselves at risk by not adhering to current health and safety standards, and they put consumers at risk for liability and unregulated workmanship. In most cases, these independent and unprofessional individuals do not have legal permits to perform work in Ontario. This growing concern is becoming a larger issue each and every year, as the underground economy is increasing dramatically in the renovation sector.

Legitimate home-building and renovation companies fill out a T5 for every trade that works for over \$500, and only deal with established companies that report taxes each year. Filling out this paperwork is very time-consuming, in contrast to underground cash-operating individuals who do not fill out any tax papers at all.

In the past, Braebury Homes tried a renovation business, and we could not compete with the lower prices of unregistered individuals working on a cash basis. Knowing that there is no repercussion to these individuals, the underground renovation industry has expanded, resulting in the loss of tax dollars.

The provincial government needs to become serious about protecting legitimate businesses from underground competitors to ensure protection of the industry's integrity as a whole. This problem was compounded when the HST came in as that additional 13% at the bottom of a renovation bill, which often prompts the homeowner's question, "How much would we save if I paid cash?" I'm sure this comes as no surprise to anyone in this room, as certainly everyone knows someone who has done some work for cash.

We suggest that, instead of requiring builders to provide extensive accounting records on trades, suppliers and so forth, they submit records of accounts over \$500 to the government. These orders, given to the local government, can pinpoint users of the cash-based, underground renovation system.

Currently, unregistered and cash-based renovators are able to make a business of undercutting legitimate and registered home-building and renovation companies. These individuals are draining the local taxes and forcing registered and taxpaying companies to pay even higher taxes in response.

We believe that a broader-based, consumer-focused tax credit, similar to the federal government's expired Home Renovation Tax Credit, would greatly assist our industry's professional home builders with the problem of the cash economy in the renovation sector. Related to this is the Healthy Homes Renovation Tax Credit, which we strongly supported and offers a rebate to seniors to age in place by making accessibility-related retrofits. I can tell you that we are working with both our members and consumers to promote this tax credit. The Healthy Homes Renovation Tax Credit also has the added benefit of fighting the underground economy.

We also believe that the receipts generated from tax credits provide the Canada Revenue Agency with a wealth of data that could be used to cross-reference those companies with WSIB information and build permit data to catch underground operators.

We recognize that the shift to a harmonized sales tax has some benefits to the broader economy, specifically manufacturing, but harmonization has brought about significant taxation implications impacting new home-buyers and, as I noted earlier, homeowners contemplating a renovation.

We supported the enhancements the province made in 2009 to replace the initially proposed regressive dual threshold with a progressive tax structure that is applied to new homes. This was a positive step for housing affordability. I want to be clear that, while we support positive measures taken to improve the tax structure, it still represents a net taxation increase for homes valued over \$400,000. In the wake of all these additional costs being borne by new homebuyers, these values should be increased.

1040

Ontario home prices tend to rise over time, and from 2000 to 2011, the new housing price index increased some 44%, compared with general inflation that rose by 26% and the median family income, which advanced by only 20%. This disparity in price index to general inflation is probably 100% caused by the additional taxation and over-regulation in the professional home-building, development and renovation industry. And while these price increases result in more taxes for municipalities and the provincial government, it is not sustainable on a long-term basis. As a result of faster house price appreciation and therefore to avoid further erosion in housing affordability in the coming years, we recommend that the threshold should be reviewed on a regular basis. This would substantially improve housing affordability for the middle class and new homebuyer, and ensure that the tax rebate continues to reflect changes in house prices over time.

Our provincial association, OHBA, responded positively to last year's budget, as it continued to make

significant investments in core infrastructure with the announcement of an extended three-year, \$35-billion commitment. We expect that this year's budget will maintain that commitment, as it is absolutely critical that the province continue to support job creation to ensure a sustainable recovery. We believe that strategic infrastructure investments help enhance quality of life, support economic prosperity and enhance productivity.

The provincial government should focus on core infrastructure investments. By that, we mean roads, bridges, water, waste water and public transit. These types of investments leverage additional private sector jobs and investments while improving productivity. I should also add that the province can't make these types of investments in isolation. It is important that land use planning policy is in alignment with long-term infrastructure. That means provincial policy must provide leadership, and municipal implementation documents, including both official plans and zoning, should be in conformity with planned infrastructure to create investment-ready communities.

In closing, I'd like to thank you all for your attention. To reiterate our key themes: We support a permanent home renovation tax credit to combat the underground economy; we support continued investment in core infrastructure; and lastly, we recognize the province is in a deficit position, and it may not happen immediately, but we believe that it is important that the province commit to a regular review of the new housing HST threshold at least every five years. Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Very good, Jordan. Thank you. You've left about four minutes for questions. Jim?

**Mr. Jim McDonell:** In our area—you talked about the underground economy—we have the additional pressure of the Quebec worker who comes across, works in Ontario and of course is not paying incomes taxes in Ontario, is not being licensed—WSIB and all those issues are not contributed in our province. But then there's also the underground economy that you're seeing. So what percentage would you say it is affecting? How big is it in the Kingston area?

**Mr. Jordan Van Leuken:** It is very rampant in the Kingston area. I can't give you an exact percentage number right now, but we do have the figures back at the office. It is very evident in the renovation sector within Kingston that people will be calling around to general contractors, individual contractors or trade-specific contractors, and they're always asking the same question: "What if I do it for cash? How much for cash?" And this always promotes the same challenge that some of these people are enticed by this notion of cash. They may not have to claim it; they don't have to—it's just lucrative.

The percentage, I can't tell you exactly right now, but I know it's a pretty substantial percentage in our area.

**The Chair (Mr. Kevin Daniel Flynn):** Steve?

**Mr. Steve Clark:** Thanks for your presentation. I was a bit surprised, though, that although you did mention over-regulation—I've met with some of your members,

and certainly some people in the industry in eastern Ontario have expressed concerns to me about Bill 119, the mandatory WSIB coverage. I also had some of the people in your industry express grave concern about the College of Trades and the impact it has on your industry. Would you like to make a few comments on those two issues?

**Mr. Jordan Van Leuken:** Actually, I would like to hold back, as I have other members within our association who are a little bit more versed on those than I am right now.

**Mr. Steve Clark:** But you have to agree there is still a big concern within the industry about that.

**Mr. Jordan Van Leuken:** There is a big concern with the increased WSIB premiums really driving renovators to seek underground. The College of Trades is inhibiting a lot of these contractors from expanding. Realistically, there are challenges with these two issues.

**Mr. Steve Clark:** Okay. That's great. Now, in terms of the tax credit, are you looking at something similar to what federal Minister Flaherty put forward? Is that the type of credit you're advocating for today?

**Mr. Jordan Van Leuken:** Yes, similar. We're advocating for something that had occurred previously. In my personal experience, I did take advantage of it at my own household. It was really good. It was a good situation, and I got to gain a lot of experience with a lot of local contractors. A similar program to what had previously expired is what we're gunning for.

**Mr. Steve Clark:** And since that federal program isn't there, with some of the over-regulation that you're seeing at the province, you really are having an issue with the underground economy. We're right back to where we were before, are we not?

**Mr. Jordan Van Leuken:** Yes, I would definitely agree with that.

**Mr. Steve Clark:** Thank you, Chair.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Steve. There's about a minute left. Anybody have a question? Closing comments?

If not, thank you very much for coming.

**Mr. Jordan Van Leuken:** That's great. Thank you for having me.

**The Chair (Mr. Kevin Daniel Flynn):** Thanks, Jordan.

#### SPIRITS CANADA

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation this morning is Jan Westcott from Spirits Canada. Welcome, Jan and C.J.

**Mr. Jan Westcott:** Mr. Chair. Ladies and gentlemen.

**The Chair (Mr. Kevin Daniel Flynn):** Make yourselves comfortable.

**Mr. Jan Westcott:** This is Ontario. It's not bootleg; I obey the law completely. See me later.

**The Chair (Mr. Kevin Daniel Flynn):** Like everybody else, Jan, you have 15 minutes. Use it any way you

see fit. If you'd introduce yourselves for Hansard. Any questions will come from the NDP this time.

**Mr. Jan Westcott:** Okay. Thank you, Mr. Chairman, and ladies and gentlemen. I'm Jan Westcott. I'm the president and CEO of Spirits Canada. My colleague C.J. Helie from the association is with me here today.

We are the only national trade association representing the interests of Ontarian and Canadian spirits consumers, manufacturers and exporters.

We are an Ontario-centric industry, with key production facilities in Amherstburg and Windsor in southwestern Ontario, Brampton in the GTA, and Collingwood in central Ontario. We have another fellow who's not a member but a good guy, and he makes good products—John Hall, in Grimsby, at Forty Creek. So we're five production facilities in Ontario. One of them, Hiram Walker in Windsor, is the largest distillery in North America. So we have scale as well.

These spirits production and maturation facilities source and buy local goods and services from hundreds of local, small and medium-sized businesses and farms. In fact, we are not your typical Canadian hewers of wood and drawers of water. We take raw materials and add a tremendous amount of value, and then ship them around the world, using a lot of the skills and expertise of Ontarians.

All of the industry's corporate headquarters are now in Ontario, having moved here from a number of other provinces. Those corporate headquarters obviously provide highly valued and highly skilled labour positions in the province.

We are primary manufacturers. We go from grain to glass. We take locally grown cereals and transform them, as I said, into high-value-added, branded consumer products, which we sell both in Canada and around the world. A number of our products, I would say, are icons of Canada. We've been here a long time. A couple of our brands in the last five or six years have celebrated 150 years of continuous production and sale around the world, two of the most noted ones being Wiser's whisky and, obviously, Canadian Club.

Spirits' volumes represent 5% of the total provincial alcohol sales and 25% of their retail value, yet spirits directly generate 40% of the \$2.1 billion net return to the provincial treasury that's derived from alcohol sales. So 5% drives 40% of the actual dollars that go to the government. This disproportionate take from spirits is a combination of higher product markup rates on spirits on our sales to the LCBO plus much lower tax rates imposed on our competitors in the beer and wine industries that are sold through private outlets.

**1050**

To be fair and to maximize economic activity here in Ontario, we respectfully suggest that products such as spirits, without the privilege or the ability to sell through private channels—because we can only sell through the LCBO—should in fact have the lowest LCBO product markups, not the highest, as is the case today.

I believe the committee heard evidence last week from Brick Brewing that Ontario is amongst the most profit-

able beer markets in the world, and the same is true for domestic wine here in Ontario. Yet Ontario, while it's the best place in Canada to do business, provides amongst the lowest gross margins for spirits in the world. As our senior executives—we're a global business, just like the beer industry, just like the wine industry today. As our global executives go to those capex meetings in other countries and make the case for investing in our category—Canadian whisky—or in our business or innovation, it's a tough sell because the margins here are lower than they are literally anywhere else, and certainly well below the margins available to our direct competitors in the United Kingdom and in the United States.

The effect of these depressed margins for spirits has been to essentially starve the Ontario industry of critical life-sustaining reinvestment and has contributed to a range of what I think are unintended consequences, including reduced international exports, a less competitive domestic alcohol market and the misallocation of resources.

In addition to serving Canadian consumers from coast to coast, Ontario's spirits producers are key suppliers to the world. In fact, spirits annually represent two thirds of all Ontario-sourced beverage alcohol exports, far more than beer, cider and wine exports combined. In 2012, the value of our international exports of spirits from Ontario was about \$325 million, and while the 2013 figures aren't here yet, we think that Ontario-sourced spirits are going to hit \$355 million. Every one of those dollars represents grain that we buy in Ontario, jobs in manufacturing, packaging acquisitions that we make etc.

These exports are critical to the financial health of our local facilities, yet it's becoming increasingly difficult to attract investment to Ontario, as I said—investment that's necessary for us to remain globally competitive. In fact, unlike other sectors, given the discriminatory tax burden on spirits in this country, we have a huge incentive to actually export to markets where we can generate better margins than we can here at home. So it's hard to conceive, but we could actually see a day where there would be shortages of product like Crown Royal here, so that we would be selling in the United States and making a lot more money. It's hard to imagine, but it's possible. And we're certainly seeing those kinds of things in the Scotch whisky business these days in a number of places.

The challenge for us is that margins generated in our own home market are really critical in funding the development of new export markets, along with innovation, keeping our plants current, improving our environmental footprint and remaining competitive just in terms of our marketing and sales.

Ontario's spirits can now access what have before been largely closed markets—places like Columbia, Vietnam, eastern Europe—but the low gross margins that we have here in our home province and in Canada place the industry at a very significant disadvantage compared to our principal competitors in the Scotch whisky and particularly in the American bourbon industries, both of which enjoy much more significant gross margins in their home markets than we do.

Over the last 10 years, the Ontario government and its ministries and agencies have poured over \$400 million in direct financial assistance to beer and wine producers in this province, and spirits producers have essentially been completely neglected. That's kind of interesting because the birth of the spirits industry in North America almost is right around here: a distillery in the early 1800s in Prescott and a distillery in Corbyville were the very first two large commercial distilleries, so this is really the area of the birthplace of our industry, not just in Canada but literally in North America.

These taxpayer handouts—the \$400 million I talked about—to beer and wine producers, many of which are in direct contravention to both Ontario and Canada's international trade obligations, also send a clear message and quite an unambiguous message to international spirits companies, namely that spirits producers are really second-class corporate citizens here, and their investment is not really appreciated in this province and this country. In order to sustain an Ontario-based spirits industry, this international perception of Ontario and Canada as hostile to spirits—we have to fix that. The fact that we have low margins is one thing, but this perception that we're just not really open to the spirits business—notwithstanding that it started here and it's very robust—is pretty hard to get past.

The overall economic policy framework in Ontario today conspires against growing our international beverage alcohol exports. It really does encourage the misallocation of financial resources, and it disadvantages cereal and grain farmers versus people who they compete with, both in the agricultural sector and in the consumer product sector in the beverage alcohol business. We believe it's time for a fundamental rethink if Ontario's truly interested in retaining a globally relevant beverage alcohol industry.

We're therefore requesting the committee's support for a modest reduction in the LCBO's product markups applied to spirits of about two basis points—we pay 139%, plus a whole bunch of other charges, down to 137%—to help fund facility and infrastructure improvements, including but not limited to efficiency improvements and environmental upgrades, and assist in offsetting the cost of maturation—remember, unlike anybody else, when we make our whisky, we hide it for a minimum of three years; these days, it's more like six, seven, eight or nine years—and invest in product innovation and export market development.

Thank you. I'm happy to take any questions.

**The Chair (Mr. Kevin Daniel Flynn):** That's great, Jan. Thank you.

Any questions? It'll be the NDP. Michael? Just over four minutes.

**Mr. Michael Prue:** Four minutes. In your very last paragraph, you're seeking the reduction from 139% down to 137%. How much would that cost the LCBO?

**Mr. Jan Westcott:** About \$15 million a year.

**Mr. Michael Prue:** Fifteen?

**Mr. Jan Westcott:** Fifteen.

**Ms. Catherine Fife:** One five.

**Mr. Michael Prue:** One five. Okay. And for that, what will we anticipate the spirits industry would do with that \$15 million?

**Mr. Jan Westcott:** Every company has got a different strategy. Some of our companies need upgrades in the plants that they run.

There was an interesting article a week ago. There's a contract negotiation going on in Amherstburg between Diageo and the CAW. The union head down there made an interesting comment and said, "This negotiation isn't about wages, it's not about pensions, and it's not about working conditions; it's about how come the company's not investing in that plant and that property to make sure that it's robust and very competitive." That's the issue.

There are plant investments—what's going on now is that vodkas have been on a tear for 20 years, and we're starting to see vodka levelling off. Within the North American market, there's a huge interest in North American whiskies, particularly Canadian whisky, and bourbon. For 80 years, we have been the leading-selling whisky in the United States, outselling everything else. In 2012, we slipped into number two, and so we need to be investing back in the United States, particularly when there are opportunities staring us in the face when consumers are saying, "Wow, this is pretty good." But you've got to go and spend money to sort of capitalize on that. That would be an example.

**Innovation:** We have to bring out new products. Just as we've seen in the vodka business and in the rum business, the flavoured, we're starting to see the emergence of flavoured whiskies, which are broadening the appeal of our products to beyond people like me—Younger people and women, particularly.

We have a mature market in Canada. We're not going to sell a huge amount of more alcohol. I think the opportunity is certainly in the United States and, as I say, some of these new markets that are emerging.

**Mr. Michael Prue:** Perfect. Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Go ahead, Catherine.

**Ms. Catherine Fife:** Thanks very much for the presentation, but I think that's an important distinction: that you have a product that you can expand, from an export perspective.

**Mr. Jan Westcott:** Yes.

**Ms. Catherine Fife:** Absolutely. In your specific ask, you say that you would like to redirect some of that funding towards efficiency improvements and environmental upgrades. Are there any current incentives for environmental upgrades as the current system?

**Mr. Jan Westcott:** The boiler system, the energy system, at the largest distillery in North America is 60 years old. Yes. People have things that need to be done in our plants.

The presidents tell me that they sit at these global capex meetings and they put their hand up and they say, "We'd like to do this because it will improve our efficiency." Remember, we are competing with American

plants that do very much the same thing that we do. They make spirits. We certainly compete on the packaging side, dramatically. If your plants aren't as modern and as efficient as they can be—and these days that also means being very environmentally efficient—then we lose that bid.

1100

The other thing that's happened in the spirits business is that there's more contract production. At Hiram Walker, which is the original home of Canadian Club, they now produce Wiser's and they produce Gibson's. Gibson's used to be produced just down the road at Valleyfield, in Quebec, and we moved those 500,000 cases of production into Ontario, because it was more efficient to put all of that into one plant, and you're going to see more of that. We compete for that business quite aggressively with our colleagues in the United States.

**Ms. Catherine Fife:** And we want you to bring more jobs back to Ontario, right?

**Mr. Jan Westcott:** We're trying.

**Ms. Catherine Fife:** You referenced Brick Brewing. They did come to Kitchener last week. They're, of course, in my riding. They came to ask the government to stop putting this artificial cap on their hectolitre production, because they do receive a subsidy, and once they go over that hectolitre production they lose everything. It actually prevents them from expanding.

There's nothing like that in your sector, right, Jan?

**Mr. Jan Westcott:** Well, there isn't—

**Ms. Catherine Fife:** But you've been coming for 10 years? Have you been coming for 10 years and asking for some relief in this regard?

**Mr. Jan Westcott:** Okay, so, in the last couple of months, the government has announced significant investments in the beer industry and in the wine industry—good for them. Obviously, in both cases, those were sort of renewals that people believe are working.

What we're saying is that if you're going to invest in those industries, because those are coming through into the marketplace and affecting the market—we all do the same thing. We buy Ontario raw materials—in our case, grain, not grapes. We have local production facilities that employ people here. One of the differentiations for us is that we're significant exporters—70% of what we make leaves the province and earns that income—but we're all doing the same thing.

So if it makes sense to invest in the wine business and the beer business—and remember, I ran all of those associations at one time—if we want to have a viable spirits industry, we need to have some balance here. I guess what we're saying is, we're putting our hands up and saying, "Please give us some consideration."

The \$15 million that I mentioned equates to the \$75 million that the government announced for the wine industry just before Christmas, which is 15 million bucks a year, in addition to the fact that they have their own private wine stores, and, and, and,

**The Chair (Mr. Kevin Daniel Flynn):** Point well made. Thank you very much for coming today, Jan.

**Ms. Catherine Fife:** Thank you, Jan.

**Mr. Jan Westcott:** Thank you very much.

### CITY OF KINGSTON

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation this morning is from the city of Kingston. We've got a group coming up. I understand we've got Bryan Paterson, Sandy Berg and some help, so you'll probably all need to introduce yourselves. Thank you for coming. You have 15 minutes, like everybody else. The questions this time will come from the government side. If you would introduce yourselves each time you speak for Hansard, so we know which one of you is speaking, that would be great.

**Mr. Bryan Paterson:** Mr. Chair and members of the committee, good morning. Thank you for the invitation to speak with you this morning. My name is Bryan Paterson. I am a city councillor here in Kingston. With me I have a fellow colleague, Councillor Sandy Berg. We also have our chief administrative officer, Mr. Gerard Hunt, and our manager of intergovernmental relations, Ms. Holly Wilson.

First of all, welcome to Kingston. We hope you enjoy your time here in our fair city. I do bring regrets from Mayor Gerretsen, who wanted to be here; unfortunately, he was tied up with another engagement, so we're happy to be here speaking on his behalf.

Our submission this morning is entitled Creating Strong Cities. We believe that a strong and prosperous Kingston, with a healthy and vibrant economy, is good not only for Kingston but also for the entire region around us, all of eastern Ontario and certainly in the interests of Ontario as a whole.

We have three pillars that we would like to present before you this morning. With that, I will turn it over to my colleague Sandy.

**Ms. Sandy Berg:** Thank you, Bryan. I'm Councillor Sandy Berg. We are Canada's first capital, and also most recently Canada's happiest city: the city of Kingston. We're happy to be here, and I'd like to speak to you about our first pillar of building strong communities: dedicated, predictable infrastructure spending.

We know that Ontario municipalities currently contain 67% of Ontario's infrastructure. We are doing our best here in Kingston, and I know other municipalities are working hard, to maintain that infrastructure so that we can continue to have a solid base and functioning communities across the province. We know that the province is working hard to facilitate the integrity of certain systems.

With respect to transportation, we know that the province is working very hard to invest in and build out the transportation systems around the Golden Horseshoe. I grew up around the Golden Horseshoe, and certainly I lived in Toronto—sorry?

**The Chair (Mr. Kevin Daniel Flynn):** Sandy, if I could interrupt. These are awful microphones. If you get too close to them, they start banging.

**Ms. Sandy Berg:** Oh, fair enough.

**The Chair (Mr. Kevin Daniel Flynn):** Everybody does the same thing, so I just—

**Ms. Sandy Berg:** Way, way back. Okay, all right. They're different from ours in council chambers, where I have to pretty much be right here.

**The Chair (Mr. Kevin Daniel Flynn):** They are. So just sit back a little bit.

**Ms. Sandy Berg:** Is this better? Is this good?

**The Chair (Mr. Kevin Daniel Flynn):** I think so.

**Ms. Sandy Berg:** We recognize that the province is working hard to build certain systems, and transportation is one of those, and the city of Kingston recognizes that building a stronger Golden Horseshoe so that we can move people and resources around is important. We recognize the importance of moving people across the 401 past our community, and this helps facilitate the economies across the province and here in the city of Kingston.

But we want to encourage you to think beyond the borders of the Golden Horseshoe and the GTA. We have infrastructure needs here in the city of Kingston. As I mentioned, we are Canada's first capital. We have infrastructure that originated back in the 1800s. The city of Kingston has been working hard to ensure that we are investing in building up, maintaining and increasing the integrity of our infrastructure.

Since 2000, we've been putting away, dedicating, 1% of our taxes collected to reinvest in the maintenance of our infrastructure. We like to celebrate that; we're very proud that we have taken this step to demonstrate that we are committed to this.

But we also would like to impart to you the need for additional support and help in that maintenance of infrastructure. We certainly take the investment in our asset management very, very seriously, and we don't want to be dependent upon provincial monies and support but want to articulate the importance of having a sustainable, dedicated fund for infrastructure maintenance across the province and here with us in the city of Kingston.

We also want to express our appreciation for the investments in public infrastructure that the province has helped us with. It helps to build our community in a number of different ways, from social aspects in terms of quality of health with the Ravensview water treatment and cultural aspects with respect to the Rogers K-Rock Centre—and, of course, our new Providence Care Hospital, which is starting to get under way. That's what we're looking for, and that's what we'd like to try and convey in our first commitment to building strong communities and cities.

**Mr. Bryan Paterson:** Thanks, Sandy. The second pillar that we want to bring forward is something that you've probably heard from us on before. This is an item that is certainly dear to our hearts, and it's to do with payment in lieu of taxes, which is of course the heads-and-beds payment.

The basic idea of this is that this is a payment that municipalities receive from the province as compensation for the cost of infrastructure and services for the provin-

cial properties that we have in our municipality, like our hospitals, our universities and our colleges. Of course, the issue that we face right now is that this payment has been frozen since 1987. Since 1987, because of inflation, the costs of providing that infrastructure and those services have risen, but the payment that we have received has not. That has forced us, as a municipality, to then increase property taxes on other property owners—commercial, residential and industrial.

Our feeling is that in the interests of fairness and also of transparency in terms of the transactions between different levels of government, we think that an increase in this payment is certainly justified. If that \$75 figure which was put in place in 1987 had been indexed even to inflation, it would be up to \$141 now. That would be almost double. We understand of course the fiscal constraints that the province is facing right now, but even just an approach that could phase an increase in over a period of years—we would certainly be amenable to that, and then, ultimately, to index that to inflation. We think that would, again, be in the interests of fairness and transparency.

1110

Finally, the third pillar that we want to bring forward, we title “enabling economic development.” We have been working very hard as a city to grow and to strengthen our local economy. We’ve been working hard through our economic development corporation, KEDCO, to attract new businesses to our community, to strengthen and to grow the businesses we already have, and certainly to maximize the potential of our tourism sector, just to give you some examples of that.

The Eastern Ontario Development Fund is a good example of a fund that has been very useful for us in the past and continues to be an important source of provincial dollars that can be targeted in such a way that they can leverage additional private sector investment and expansion. We would certainly advocate for the continuation of those dollars.

We understand that the government has integrated a number of other economic development programs into a single fund. We appreciate the idea to improve efficiency and to cut down on bureaucratic red tape, but we would advocate for continued access to those funds. Particularly for small and medium-sized companies, that’s certainly a key growth engine for our local economy here in Kingston, so we hope that that access would be preserved for the continued investment into our economy. We’re optimistic that with those provincial dollars, further expansion and investment and jobs can be created that will strengthen our economy. Again, we think that would benefit not only Kingston but also the region around us and all of eastern Ontario.

We know that, as politicians like ourselves, you value straightforward and brief presentations, so I think we’re going to stop there. Certainly, we’re happy to take any questions.

**The Chair (Mr. Kevin Daniel Flynn):** That’s wonderful. Thank you very much. There probably are some questions. There’s just over five minutes. Steven?

**Mr. Steven Del Duca:** Thank you for being with us here today. Thank you for welcoming us to Kingston. It’s great to be here. I’m sure every member of the committee shares that sentiment.

I’ve had the chance over the last 12 months or so to have more than one conversation with Mayor Gerretsen around some of the issues that are raised here in your presentation, particularly the heads-and-beds issue. Shortly after becoming the parliamentary assistant to the Minister of Finance, I was at ROMA/OGRA last year. Mayor Gerretsen asked for a meeting, and we sat down. It was my first opportunity to hear about this.

One of the things that I note from the presentation—I’ve shared this with the mayor before as well, although I think the number of municipalities might have changed since I had this conversation with him, in terms of those that have expressed support by passing their own resolutions. I asked the mayor, and I guess the question I have today is, has there been, on behalf of Kingston and also the rest of the municipalities, an effort to reach out to AMO, for example, the organization itself, to have this item put on their agenda? As you know, they have ongoing discussions through the AMO MOU, through the conference itself annually, through a variety of other bilaterals, to bring issues to the table to discuss with the province, which has led to things like the significant uploads the province has introduced and has continued since 2003—\$1.6 billion worth of uploads since 2003 to municipalities across the province. This isn’t an issue that tends to come up in our discussions with AMO, from my experience. I’m just wondering if there’s a reason for that, if there has been an effort to reach out through AMO—if you can perhaps elaborate on that issue for the committee.

**Ms. Holly Wilson:** I think I’ll take that one, and I would say yes. Mayor Gerretsen is also a member of the AMO board, so he is actively pushing it through AMO as well. But there are, I would say, a significant number of rural communities that are in AMO where this issue doesn’t necessarily resonate with them, so it’s not necessarily something that the board has considered adopting as one of their policies to move forward with the province.

**Mr. Steven Del Duca:** Okay. So the only other comment or question I would have, and then perhaps one of my colleagues, or both, may have some other questions if there’s time left: The first item in your presentation talks about building strong cities—the dedicated, predictable infrastructure spending. Definitely, there was recognition, both verbally and also in the presentation, about some of the projects that Kingston has been able to achieve or receive over the last nine or 10 years with significant provincial support.

I just wanted to have a tiny bit of a discussion around the notion—in the paragraph on page 2 where you talk about the fact that the government has set out to have a conversation about how to improve transit and public transit infrastructure in the GTHA and you encourage the government to think outside the borders of the GTHA, I

understand, I suppose, where that's coming from. But I think it would be helpful to have a very clear recognition that since 2003 the provincial government has taken a very serious approach to making sure that the tens of billions of dollars that had been invested in infrastructure and renewing infrastructure after it had been essentially starved by the previous two governments that served in this province—that communities like Kingston and hundreds of others of the 444 municipalities we have in this province have benefited greatly, well beyond the borders of the GTHA, to the tune of billions of dollars.

So just a tiny, almost discordant note in the presentation around encouraging a government that has consistently thought beyond all borders and had a very pan-provincial view of investing in infrastructure—just to underscore or emphasize the point that what you're asking for is in fact something that has been consistent with our approach for a decade now would be helpful.

**Ms. Sandy Berg:** Thank you. I apologize if I didn't readily convey that we do sincerely appreciate what the government has done in terms of supporting the projects that we've articulated here in our presentation. I guess what we're trying to emphasize is that we'd like to have more of an understanding of a longer-term commitment instead of a project-by-project basis, if you will. There have, in the past, been projects that the city of Kingston has, in terms of infrastructure projects, tried to speak to. Because of resources, of course, they have been addressed on a project-per-project basis. So we're hoping to take a sort of grander overarching perspective, without disrespecting in any way the commitments that have already been demonstrated and that have enhanced our community tremendously.

**The Chair (Mr. Kevin Daniel Flynn):** Soo, we've got about 30 seconds.

**Ms. Soo Wong:** About 30 seconds, okay. On your last page, page 5, the city of Kingston has acknowledged the Eastern Ontario Development Fund—because we have heard that our colleague opposite does not support this fund. I'm very pleased to hear that it does help your city and the small businesses. Can you elaborate a little bit further—so that we need to protect this fund to help you stimulate and access to the community?

**The Chair (Mr. Kevin Daniel Flynn):** You'll have to be very brief.

**Mr. Bryan Paterson:** If I can say this, I think that the key is that even small, targeted investments can leverage further private sector investment. The idea is, you create a multiplier effect. It's not necessary that the government pay for everything, but with those public dollars you can then encourage a lot of additional private investment. That's what's key.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you. We'll have to end it right there. Thank you very much for coming. Good to see you again, Holly.

**Ms. Sandy Berg:** Thank you.

**Mr. Bryan Paterson:** Thank you very much.

**The Chair (Mr. Kevin Daniel Flynn):** Pass our best to the mayor.

GREATER KINGSTON  
CHAMBER OF COMMERCE

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation this morning is from the Greater Kingston Chamber of Commerce. Matt and Bill, come on forward and make yourselves comfortable. Have a seat and make yourselves comfortable. Like everybody else, you have 15 minutes. If you would introduce yourselves for Hansard so we know which of you is speaking. Any questions this time around will come from the Conservative Party. The floor is yours.

**Mr. Matt Hutcheon:** Great. Thank you, Mr. Chairman. Good morning, everyone. Thank you for the opportunity for us to be part of the presentations this morning and share our thoughts related to the next provincial budget.

My name is Matt Hutcheon. I'm the CEO of the Greater Kingston Chamber of Commerce. With me is Bill Stewart, who is our policy and advocacy specialist on staff at the chamber.

We're very pleased to have this opportunity to present this morning to the committee. We really believe this is a critical time for Ontario's economy. A survey conducted by the Ontario Chamber of Commerce this past fall indicated that less than half of the businesses in Ontario are confident about Ontario's economy or believe it's headed in the right direction. So this next provincial budget comes at a time when business confidence is less than half in terms of optimism about the Ontario economy and the road ahead.

We've distributed to you this morning a copy of the Ontario chamber's preliminary pre-budget submission, which you've likely already seen copies of previously. Our comments this morning will be related to some specific aspects of that submission—things that we think are relevantly local to us here in Kingston or that we as a local chamber have a particular interest in.

First and foremost, the Ontario chamber and we as a local chamber believe it's a key priority for the provincial government to address the fiscal situation. Eliminating the deficit and tackling debt is absolutely critical. The ability to alleviate spending on interest charges and to allow for that spending to be used for much better and more productive uses, whether it's services and social programs or whether it's enhancing economic development within the province—there are much better uses for that money than servicing debt. So we would stress as a priority that addressing the deficit and the debt is absolutely critical.

1120

The Ontario chamber's submission includes a number of strategies and suggestions to assist with that, and I'll speak briefly to a couple of those points. First is the idea of wage restraints. Wage restraints get discussed often and encompass a variety of different initiatives and possibilities. The one that I particularly want to mention is the need for reform to the interest arbitration process. Ontario needs to build a system that considers a municipi-

pality's ability to pay when determining decisions through interest arbitration and leaves municipalities with the ability to continue to function and invest in the other necessary investments that they might make, whether it's infrastructure- or service-related, whether it's economic development-related, and making sure that that's inherently built into the process of how interest arbitration is conducted.

Secondly, we believe there are great opportunities that exist for savings in the delivery of a number of different government services in different ways. Now is the time to be creative and build a transformative approach to delivering services that leverage the expertise and efficiencies that can be found in the private sector. Alternative service delivery is certainly not a blanket solution that will provide benefits in every instance, but many opportunities exist. The first step that we would encourage government to take is, in partnership with the private sector, conduct an ASD audit to identify priority areas where the public would indeed benefit from an ASD approach in delivering government services going forward.

Another key priority for the chamber movement in Ontario is the creation of winning business conditions in the province. The business environment must allow for our businesses and, in particular, the SMEs, which dominate the Ontario economy, to be competitive and to be involved in the development of the policies and programs that will have a direct impact on those businesses. We would ask that as a minimum, the government keep the current corporate income tax rate where it is and not entertain any increases to the corporate income tax rate.

Our chamber has also been very involved in consultations and presentations related to the setting of the minimum wage and how that process is undertaken in the future. As we advocated in our presentation to the advisory panel last fall, the process for determining minimum wage in the future, in our opinion, must have three traits: The first is that it must be predictable. Employers need to know when the changes will happen to be able to properly plan and budget around those changes, to be able to plan pricing strategies and ways that they're going to deal with potential changes and potential increases to the minimum wage.

It must be a transparent process. Changes need to be based on hard economic data and good rationale for making changes to the minimum wage, and the process needs to be fair. We would recommend that changes to the minimum wage be tied to a specific economic indicator, such as the CPI, and done at a regular interval that hearkens back to that predictability that I talked about for employers.

As the government now also examines pension reform to address the alarming situation of so many Ontarians who are financially unprepared for retirement, we would encourage the government to take the creation of a PRPP mechanism to be the first step and allow more owners and employees of SMEs to utilize this structure as a retirement savings option. A new Ontario pension plan or

other initiative which creates mandatory increases to employer contributions will hamper competitiveness and apply additional pressure to our Ontario businesses.

Finally, the issues that remain key and foremost in the minds of Kingston businesses are issues around labour force. We know that that's not a problem that's unique to Kingston; we hear that from our colleagues across the province. High youth unemployment, skills gaps and challenges to accessing global talent all demand new approaches to the development of training programs and other labour force-related programs and initiatives.

We recognize, as a chamber, that businesses themselves need to become a better contributor and a partner in the delivery of training programs and that it is certainly not the expectation that it's the responsibility of government alone to provide these training programs and training opportunities. But that will demand that employers become more involved in the re-creation of the training infrastructure in the province, and making sure that their needs are met through the way the programs are designed and administered to make sure that they're going to achieve the desired results and be as effective as possible.

Similarly, the new federal Expression of Interest program needs to be employer-friendly to be effective for Ontario. We would encourage the province to work with the federal government to ensure it provides fast processes which are administratively efficient and easy to follow, and give employers direct access to the pool of candidates who are available through that program. We recognize that that's a federal program and federal mandate, but we would encourage the province to push for those traits of the new EOI program.

That's the end of my remarks. Bill and I are happy to entertain any questions that you might have at this time and look forward to the discussion. Thanks.

**The Chair (Mr. Kevin Daniel Flynn):** Wonderful. Thank you very much. You've got between six and seven minutes. Who's going to kick it off? Jim?

**Mr. Jim McDonell:** Thanks for coming out today. It's interesting to hear some of your comments.

I attended an association of professional engineers chapter meeting last night, and I had a chance to talk to some of the members who own their own businesses. One in particular talked about the confidence in business in the area and the chance for expansion, saying that they were essentially giving up on Ontario, that they were looking to South America, the US, for opportunities, as far as working with business, helping them in their maintenance and their expansion, and finding that the companies are really holding back, really tightening up, because they're having trouble. Any comment on that? Do you see the same thing?

**Mr. Matt Hutcheon:** Yes. We're hearing it not only across the province, but certainly locally as well. We've heard lots of stories of the amount of cash reserves that businesses across the province, or across the country, are sitting on and holding on to and choosing not to invest in either physical plant expansion or staffing expansions.

What we're hearing is that basically it's really that reflection of uncertainty and a lack of confidence. Everybody's just trying to sort of ride it out and wait and see what the end game of things are going to be and not want to over-invest or choose poorly, so a lot of them are choosing to not choose at the moment, rather than risk a wrong decision.

**Mr. Jim McDonell:** As well, you talked about the arbitration issue, and we proposed a bill that would bring that—we thought—under control. Now, we didn't get support from the other two parties. We see that as critical, because there are certain government services that are really leading, I guess, the wage increases of this province, and they're forcing us to cannibalize our public services. There's no money left.

A local health institution had told me that they'd been told there would be no increases for the next five years in their facility. To be able to handle wage increases, they're looking at cutting services. So there's no official announcement. It looks like it's status quo, but really it's not.

People are losing their jobs. Services are being cut—services that people should expect when they're especially critically ill are delayed. I certainly hear those stories in our office. Can you comment on the arbitration? Is that a key issue?

**Mr. Matt Hutcheon:** Yes. It basically reinforced what my comments were earlier. We're seeing and hearing from other municipalities that some decisions that have been rendered certainly threaten their ability to pay or threaten their ability to utilize funding for other necessary operations of the municipality, whether it's services and programs or whether it's infrastructure-related, whatever it may be.

Fortunately, in Kingston, we've not come upon that yet, so we've not been subject to a decision or an arbitration that has led necessarily to a specifically large or unexpected increase, but we've seen that happen in other places across the province. We've certainly heard lots from our colleagues in Owen Sound about the decision with the firefighters there and the increases that they saw. It's a sense that municipalities' ability to pay is not being factored into the way that the decisions are being determined.

**Mr. Jim McDonell:** Even if you haven't gone to arbitrations, I think the results of the arbitration have scared most municipal councils off. But the net impact of it—your wage increases are reflecting the arbitrated numbers. We see this year the OPP getting an 8.5% increase, which may not affect the city of Kingston directly, but certainly that increase will affect your next increase, because it will be catch-up time.

1130

**Mr. Steve Clark:** How much more time?

**The Chair (Mr. Kevin Daniel Flynn):** You've got about two hours.

**Mr. Matt Hutcheon:** Two hours?

**The Chair (Mr. Kevin Daniel Flynn):** Two minutes. Laughter.

**Mr. Matt Hutcheon:** I should've eaten my Wheaties.

**The Chair (Mr. Kevin Daniel Flynn):** You could take two hours.

**Mr. Steve Clark:** Absolutely, I could take two hours.

Thanks for your presentation, Matt and Bill. I appreciate the comment. I appreciate slide 4, talking about tackling the deficit and really dealing with some of the wages and benefit costs. At the very bottom of that slide, it says, "Making Labour Arbitration Work for Ontario Cities" and "Stay tuned for an upcoming OCC sub-mission...." Do you have any idea of when that will be finalized?

**Mr. Matt Hutcheon:** I don't think that the timing has been specifically set, but I know that a number of policy initiatives are due out in this first quarter, so I would suspect that it would be within the next couple of months.

**Mr. Steve Clark:** Okay.

**Mr. Bill Stewart:** Yes, I think the new version of Emerging Stronger comes out from the Ontario chamber province-wide next week, as well, so following on from that will be an updated version of the alternative service delivery and interest arbitration releases they had in the summertime last year.

**Mr. Steve Clark:** Great. The other thing I want to acknowledge: You did mention PRPP. I know that Julia Munro in our caucus has really taken a lot of time and studied and looked at what needs to be changed to be able to enable that, so I want to thank you for that presentation and acknowledging that tackling the deficit and really looking at our public services is going to be key to the success of our province in the long term and certainly for your members. I encourage you to continue to let all the parties know the feelings of your membership in the greater Kingston area. Thank you.

**Mr. Matt Hutcheon:** Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much for coming today, Matt and Bill. Thanks for the presentation. It was appreciated.

**Mr. Matt Hutcheon:** Thanks very much for your time.

#### EMPIRE LIFE INSURANCE CO.

**The Chair (Mr. Kevin Daniel Flynn):** Our final delegation of this morning comes from the Empire Life Insurance Company. Les Herr, president and CEO, come on forward.

**Mr. Les Herr:** Thank you, Mr. Chairman.

**The Chair (Mr. Kevin Daniel Flynn):** Make yourself comfortable. We'll hand them out for you. Like everybody else, 15 minutes. Use that any way you see fit. Questions will come from the NDP.

**Mr. Les Herr:** Thank you, Mr. Chairman. Good morning, and thank you for the opportunity to present to this committee. My name is Les Herr. I am here today in my capacity as the president and CEO of Empire Life, and, of course, as a private citizen.

Just to give you a bit of background on Empire Life, we are one of the top 10 life insurance companies in Canada. We sell life insurance, group insurance and in-

vestment solutions and have been in business for over 90 years. We are also Kingston's third-largest private employer, with more than 600 employees here in our home office and another 250 employees across the country.

I would like to speak to you today about a number of issues and provide some thoughts and recommendations on how we can create a sustainable, financially strong and equitable Ontario. I appreciate and acknowledge that it is not easy to manage the finances of this province and that there are many competing and important interests.

We are seeing an improving US economy and many indicators of a stronger recovery in the US, and a softening Canadian dollar. Both these factors will help our economic growth, provide lift to our exports and support our manufacturing and tourism sectors, among others.

This leads me to believe that we will see an improving economy, which will help us reach our balanced budget targets and will be a major contributing factor to the government's plan to achieve a balanced budget. I would recommend being patient and allowing improved economic factors to support achieving a balanced budget, not focusing on tax increases which, in my opinion, would in fact slow down our economic growth.

In preparing our presentation today, I have spent time going over the 2013 Ontario budget, which is not an easy task, and the economic updates and other materials. I am pleased to see that our government is working towards tackling the deficit, increasing public sector productivity and government transparency through the Open Government Initiative just announced by the Premier. I urge you to continue to support these initiatives and, in fact, be much more aggressive in pursuing these targets.

Tackling our deficit comes down to spending within our means and with what we can afford. Our public sector salaries, pensions and benefits are much more costly than in the private sector. While on a per-capita basis we have made headway on reducing the cost of the public service, I believe it is time to conduct a fundamental review of our government to improve service delivery, reduce waste and duplication, and make further inroads to having an efficient and affordable public service.

It was less than two years ago that the Drummond report was released, and I know the government has indicated that it has moved on 60% of those recommendations. I must admit that it is difficult to find information on those implementations and the savings achieved by them. It is also difficult to find information on what else could still be on the table. Are there other things that we can do? Where did the report fall short? Can we take a broader review of the key government services to find ways to deliver them more efficiently? Have some of our programs and services run their course? I am asking these questions because I believe we should be spending more time and effort in these areas.

We have 72 school boards in Ontario. Have we looked critically at whether we need 72 boards, or could we consolidate regionally, lowering the costs of administration and focusing more of our dollars in the classroom? Newfoundland and Labrador recently consolidated all

their school boards into one board for the entire province. Maybe we do need 72 boards, but an objective review could help determine the answer.

Another example is the LHINs that have been in place in Ontario since 2006. I believe it is time to look at the cost of the LHINs compared to what they have delivered. The people of Ontario should feel confident that their tax dollars are spent in the best possible way, delivering the benefits promised, and a review like this could help.

Personally, as a taxpayer, I have no problem paying taxes. However, I do have a problem, as many others do, with paying taxes when I do not have a clear understanding of how my current tax dollars are being spent. I applaud the current Open Government Initiative, but I believe we need further work on making government finances much more transparent.

As I said, I have spent time reviewing the 2013 budget that is available online, and I have not been able to answer many of the simple questions I have, and others have, about the state of our finances. I can see that we are spending X amount of dollars on education or on health or on social services or on other services; however, I cannot see a breakdown of those expenses. An example is education. I know we spend over \$24 billion on education, but I cannot see how much of that is on teachers versus on administration. I can see that we've earned \$4 billion in revenue from government-owned businesses, but I cannot find information on the costs to run those businesses.

Perhaps the information is there and I can't see it, but it is not presented clearly, openly, and in an easily accessible way. For many Ontarians, I think it would be very, very difficult. That is why I ask that you continue to support and fund the Open Government Initiative and, in fact, go very far with that. It will do a lot to restore confidence, I believe.

As a large employer in Kingston, Empire Life is invested in the economic health of our community. We need Kingston to be a vibrant and dynamic place to live, and for that to happen, we need to make sure that there are good jobs for people and solid economic growth. I believe there are two ways our province can help to make this happen. One is increased access to start-up capital and venture funding for new companies. I have talked to a number of local business owners who tell me repeatedly that it is very difficult to access funding to get their new companies off the ground.

I understand the government is relaxing its rules on crowdsourcing as a method of raising start-up funds, and that is good. However, finding ways to encourage greater private investment in these companies could have a significant impact on the success of start-ups and young companies. What often happens is the funding comes from the US, and we lose them or they fail.

How can we do that? By creating aggressive tax incentives to make private investing more attractive, we can help companies grow and, in time, create more tax revenue and new jobs.

You might ask, why am I asking you to focus on start-up companies and not more on mature companies like

Empire Life? Well, start-up companies have higher growth potential and have a need to hire more people to get off the ground. Mature companies like Empire Life are more focused on increasing productivity, which may not always lead to new job growth. New companies and start-ups have great potential for job creation in Ontario. I encourage you to be aggressive in this respect.

In Kingston, we are also fortunate to have amazing research and innovation coming out of our academic institutions. Another way we can help grow jobs and economic development is to increase opportunities for the commercialization of these innovations.

We have seen success in Ontario through initiatives like MaRS and the University of Toronto's Banting and Best Centre for Innovation and Entrepreneurship, among others. I know we have programs in place that support what I am saying, but I ask you, in your budget considerations, to be much more aggressive in this area and make deeper investments in our innovations and future. Again, if we do not, often what we find is that the US will, and once again the jobs go south and, all too often, do.

My final point this morning is industry-related and focuses on the need for more Canadians to prepare for retirement. Right now, only 50% of private sector employees and workers have access to any form of workplace retirement plan. Pooled registered pension plans, or PRPPs, can help increase access to a workplace plan and reinforce a savings mindset and behaviour.

1140

I believe that a made-in-Ontario pension plan solution as an extension to the Canada Pension Plan is a costly alternative and, given that we are in a deficit, would only make it more difficult to achieve a balanced budget. I think it would be prudent to take this next step and introduce a PRPP. A federal PRPP template exists today, and a number of provinces have already introduced the legislation.

In fact, Quebec has taken further steps to make sure that PRPPs are mandatory for all companies with five or more employees. The Canadian Life and Health Insurance Association estimates that if Ontario follows Quebec's lead, about 93% of Ontario workers would have access to a workplace retirement plan. That will go a long way to helping close the pension gap. In the interest of full disclosure, I want you to know that Empire Life does not currently offer and has no plans to offer a PRPP—speaking on behalf of the industry.

I ask that, in your consideration, PRPPs be made a priority. Consider adopting the Quebec model and work to put the infrastructure in place quickly to help Ontarians prepare for retirement.

In summary, I recommend that:

- we allow the improving economy, and not tax increases, to balance our budget;
- the Ontario government do a fundamental review of the services we deliver, how we deliver them and the cost of delivering them, to assist in balancing the budget;
- the Ontario government be much more transparent and accountable with taxpayer money and make it easier for taxpayers to see how their dollars are being spent;

—the Ontario government look to more aggressively support start-ups, younger companies and the commercialization of our innovation through both public funds but also through the encouragement of private investment;

—the Ontario government not introduce an Ontario pension plan but support the introduction of pooled registered pension plans.

I thank you for your time and welcome your questions.

**The Chair (Mr. Kevin Daniel Flynn):** Great. Thank you, Les. You've left between four and five minutes for questions. Catherine or Michael?

**Ms. Catherine Fife:** Thank you very much, Les, for your presentation. You've covered a good variety of topics. I do want to thank you for raising the issue of a lack of transparency around the budget. Even as a new MPP, I've struggled to try to get to the numbers, and I think a good case can be made for—it's your money, right? It's not the government's money; it's all of our money. So it needs to be more open.

We fought for a Financial Accountability Officer in the last budget session. To date, though, that office has not been set up, and we're going to continue to push that, because you need to know where the money is going, and the funds.

On the issue of LHINs, I think also that you make a good case. The call for the review—it's five years past due. The social policy committee is going around the province, and perhaps there may be a travelling show here in the Kingston area. But that is an important process to happen.

So I just wanted to thank you for your feedback.

**Mr. Les Herr:** Thank you, Catherine.

**Ms. Catherine Fife:** Michael?

**Mr. Michael Prue:** Yes, I just have one question. I know that many people in the business sector think that our public salaries are out of whack. I don't necessarily agree with that position, but Ontario has probably the lowest per capita level of public employees of any province in Canada, and we're probably by far and away the most efficient with them. I just keep wondering why people keep saying we have to improve the public service when it's already the best one in Canada.

**Mr. Les Herr:** I've got experience with that in Kingston because we are a private employer and we compete. As you know, in Kingston, there are a lot of government agencies, and we do compete with them. When I say that, I don't for a minute suggest that we shouldn't pay our public servants well. Teachers, doctors and all public servants should be paid well.

I think where the real disconnect is is in the benefit costs and the long-tail liabilities of those benefit costs. Pension plans and extended retirement programs after an early retirement—I think that's where your biggest productivity gain should be. Most of the private sector does not have anywhere near the kind of pension plans and post-retirement benefits that you have in the public sector. Is that right? Should we improve in the private sector? Well, we can't afford it.

I get that it's a tough thing to say, but I think you need to look at the cost of your payroll, because that's where most of our costs are, private or public, and I think you'll find that they're not in line with the private sector. Maybe there needs to be a coming together. I don't think it should all be carved out of the public, but there needs to be a really thoughtful discussion about how we bring them together. We can pay more if we don't have as much—I've got a list of taxes that Empire Life pays, and it's a very long list. And maybe they're all for good reasons, but if I'm going to pay more—in other words, get closer to public sector pay—where am I going to get it from? Then I have my shareholders saying, "I need to get a return." My shareholder wants a 12% return after tax. That's not unreasonable; it's not asking for 18%.

I agree with you, but I think there's some room to be done, and I think it's more in the waste than it is in the pay. Are we as effective—I do it every day at our firm. My colleagues behind me and I are always looking at, can we be more effective and more efficient in how we deliver our products and services, so we can pay more and do more?

That's all.

**Mr. Michael Prue:** Thank you very much for the answer. That would be my question.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much, Michael.

Les, thank you very much for your presentation. It was appreciated.

**Mr. Les Herr:** Thank you for allowing me to speak to you today. Take care.

*Interjection.*

**The Chair (Mr. Kevin Daniel Flynn):** Wonderful. Okay, that was our last delegation for the day. Anybody who hasn't checked out obviously should. Lunch is in the Fort Henry Room, which is on the floor above.

**The Clerk of the Committee (Mr. Katch Koch):** Right beside the reception area.

**The Chair (Mr. Kevin Daniel Flynn):** Right beside the reception area.

We're going to recess until 12:45, not 1 o'clock—12:45.

*The committee recessed from 1145 to 1246.*

#### COUNCIL OF ACADEMIC HOSPITALS OF ONTARIO

**The Chair (Mr. Kevin Daniel Flynn):** If I can ask everyone to take their seats, please, we can get the delegations ready. We'll call to order again.

Karen, if you'd like to take a seat with your colleagues. You're our first delegation. Our first delegation this afternoon is from the Council of Academic Hospitals of Ontario. Karen Michell and Roger Deeley, thank you very much for joining us here today. Like every other delegation, you get 15 minutes. Use that any way you see fit. If there is any time for questions, the questions will come from the government side.

**Ms. Karen Michell:** Great.

**The Chair (Mr. Kevin Daniel Flynn):** The floor is yours.

**Ms. Karen Michell:** Thank you very much. As you mentioned, I'm Karen Michell. I'm the executive director of the Council of Academic Hospitals of Ontario. My colleague Dr. Roger Deeley is the vice-president of research here at Kingston General Hospital.

We'd like to use our time today to talk to you about the value proposition for provincial investment in health research and innovation and really the significant return on investments that that will generate for a healthier, wealthier and smarter Ontario.

First of all, just to introduce you to the CAHO members, we represent 24 research hospitals right across the province. They are distinguished by the fact that they care for the sickest patients in the province, providing the most specialized care; that they provide innovation and education in health care; and that they conduct leading-edge health research.

In addition to that, our members are also distinguished by a fourth element, and that is our accountability to share the knowledge and expertise that we have from this discovery platform right across the health care system, to the benefit of the health care system and also for the patients we serve. We do this through collaboration with other partners in the health care system.

But we know that innovation doesn't just happen; it requires collaboration and partnerships between scientists like Dr. Deeley and clinicians, with industry, and with our own patients. It also requires investment in the infrastructure and the means to support and facilitate innovation. But we know that if we're going to promote investment we also need to show how it's going to drive real and measurable results.

Investment in health research benefits each and every one of us in three ways. First, it makes us healthier by finding cures, improving the quality of care and the productivity of health care. Secondly, it makes us wealthier by introducing breakthroughs that save money and help patients. Sometimes companies are also created from these discoveries. Research also makes us wealthier by creating new jobs for Ontarians. Finally, health research makes us smarter as we discover new knowledge, thereby positioning Ontario as a magnet to attract and retain the brightest scientific and clinical minds from here and around the world.

A healthier Ontario means putting tomorrow's cures in place today. Consider these two examples.

Researchers led by Dr. John Bell at the Ottawa Hospital Research Institute saw promising results when they used viruses to treat cancer without harming normal tissues in humans. Dr. Bell believes that someday viruses and other biological therapies will be a possible cure for cancer.

Researchers at Sunnybrook have developed a quick and non-invasive procedure to pinpoint and destroy tumours. Instead of a scalpel, surgeons will use high-intensity focused ultrasound to obliterate tumours—surgery without cutting the skin. We've estimated that if this procedure were used to treat one type of tumour

alone, it would save the Ontario health care system \$35 million each and every year.

To realize value from research and innovation, though, we need to use what we discover, and that's why CAHO has created the Adopting Research to Improve Care, or ARTIC, program. What it does is accelerate the implementation of research evidence into multiple health care providers across Ontario. Ontario has invested in ARTIC to address key system challenges, such as combatting hospital infections, better care for the elderly and enabling the transition of long-term mental health clients into the community.

Investment in health research also drives a knowledge-based economy, and the return on that investment is significant. In fact, 18 of Canada's top 40 research hospitals are located right here in Ontario, and they invested \$1.2 billion in health research in 2012.

Our hospitals are home to 16,000 researchers and research staff, and we estimate that that \$1.2-billion investment in health research generates \$3.2 billion in economic output across Ontario and stimulates approximately 36,000 direct and indirect jobs.

Ontario's health research enterprise is also a magnet for attracting talent. Kingston-area research hospitals have attracted 10 clinical scientists from outside Ontario in the past two years. This is one of the many examples of global research talent coming to work in Ontario, drawn by the opportunity to pursue health innovation in the collaborative network of Ontario's research hospitals.

Partnerships have been absolutely crucial to the health research enterprise in Ontario and the transformation that it's enabling in health care, both in our economy and in the care that we provide to our patients. In fact, the announcement earlier this week that Ontario is renewing investment in the Ontario Research Fund is particularly noteworthy of recognition and praise.

The Ontario Research Fund invests in the best science in the province and acts as a magnet to attract matching dollars from donors, industry and other levels of government. We believe that Ontario has made a smart decision, in challenging times, to invest in a knowledge-based economy and in our future. CAHO would encourage all parties in the Legislature to support this ongoing commitment to research.

The key question, though, is how do we strengthen, sustain and leverage Ontario's health research enterprise over the longer term, to build and maintain global health innovation leadership?

We believe that Ontario requires an end-to-end health innovation strategy. The pieces and partners need to be brought together to leverage the full potential of the health research and innovation system in Ontario, from discovery research to adoption and implementation to widespread practice changes and to health care markets globally.

We believe that there are three key elements for a health leadership and innovation platform in Ontario. First, we think we need an overall strategy to align the research strengths that we have with the needs and the problems that we want to solve in the health care system.

Secondly, we think we need an investment framework that will sustain Ontario's health research enterprise over the long term and that will provide the research engine with certainty and predictability. Finally, we believe that we need to create a pathway to rapidly move research evidence and discoveries into practice across the health care system and into new markets.

On this last point, CAHO is seeking to renew investment in our ARTIC program, Adopting Research to Improve Care. New investment will allow us to increase the spread and scale of adoption of research evidence that is having an impact on driving quality improvements in the system and making the system more sustainable.

Finally, we're asking the committee to consider including in its budget recommendations a commitment to an Ontario health research and innovation strategy and a timeline for addressing these three elements.

Thank you for the opportunity to comment today, and we look forward to your questions.

**The Chair (Mr. Kevin Daniel Flynn):** That's great, Karen. Thank you for that presentation. I saw a presentation by Dr. Bell and it was absolutely fascinating, the stuff on the viruses.

We've got about six minutes left, and the questioning comes from the government. Who would like to go first? Soo?

**Ms. Soo Wong:** Thank you very much for your presentation. As you know, the government has been at the forefront about supporting MaRS and much of the innovative research across the province. Can you elaborate a little bit further as it relates to the partnership between health research and innovation and economic investments in various communities? There has been lots of funding right now dealing with the eastern Ontario economic fund, so I want to see, how is your group working in collaboration with the economic funds across Ontario?

**Ms. Karen Michell:** Thank you; I'd be happy to. First of all, I should mention that there's a lively and vibrant innovation park here in Kingston as well.

Essentially how it works is, research tends to be funded by funds like the Ontario Research Fund, but also we have incredible investment, in fact, from industry partners. When we look at the \$1.2 billion of research revenue we've been able to garner and invest over the past year, 16% of that comes from private industry. That is a very high proportion. When we look at the OECD stats on business investment into higher-education R&D, a 16% figure is 2.5 times the OECD average. Part of the partnership is the ability to attract industry here to Ontario to invest in our scientists and invest in the research we're doing. Then, oftentimes, we will create companies spun off out of the research and discoveries. Sunnybrook has an example where they found a better way to diagnose and detect breast cancer. They created a company called Sentinelle. It was sold for close to \$100 million, and has about 200 staff now. That's when you get the investment back into the local economy.

Dr. Deeley, did you want to add to that in terms of other examples that you're familiar with?

**Dr. Roger Deeley:** Sure. The hospitals in Kingston really function as an academic health science centre with Queen's University, and we share one of the most successful commercialization offices in the country, an entity called Parteq. We have examples of research in biochem/pharma coming out of the hospitals, a potential treatment for Alzheimer's for example, that was parlayed into a publicly traded company which, at the peak of its market value was about \$1.2 billion.

At the other end of the spectrum, we have a facility at KGH which is pretty well one of a kind in Canada. It's called an environmental exposure unit. Basically, what it is: We can put 300 people in there and expose them to various airborne pollutants or allergens; that's typically what we're looking at. That, on average, is generating anywhere from \$5 million to \$8 million a year in industry revenue from an international sector. We're actually doing clinical trials for pharmaceutical companies in China and India.

**Ms. Soo Wong:** Do I have more time, Mr. Chair?

**The Chair (Mr. Kevin Daniel Flynn):** You don't have a lot of time. Well, actually, you do. You've got two and a half minutes.

**Ms. Soo Wong:** Okay. So what I'm hearing is that your organization is asking SCFEA, this committee, to continue to invest and reinvest the arc, but also, based on your evidence-based information, that this is the right thing to do, that we continue that trend that we already started, continue to reinvest the health evidence that you have seen.

In terms of the long term, because you asked in one of these statements about long-term steps, what do you envision in the next five to 10 years in your sector?

**Ms. Karen Michell:** One of the things we'd like to see from our sector, and we're taking leadership in this area, is a more specific and coherent way of identifying what are the big system needs, so what are the big problems that the health care system is facing, and align that with the research strengths that we have to try and help answer those questions and then bring that together with a sustainable and predictable source of funding in order to make sure that that research engine for the health care system continues to hum along and can really help solve those problems. Once you have the discovery, you also need to make sure that there is a way of ensuring that what you have discovered is actually used by doctors, by nurses and by physical and occupational therapists right across the province in hospital, in community etc. One thing that we do not have in a really systematic way right now is a pathway to ensure that, once a discovery is made, it's actually used.

1300

Over the next five to 10 years, we'd love to see a strategy connecting the needs of the system with investment to support the discovery to answer those things, and a way to make sure that the discoveries are then actually used to benefit our patients. We're trying to do some of that within our own community, but we'd like to work with the province as a whole to ensure that we can do that right across the health care system.

**Ms. Mitzie Hunter:** I just want to follow up with that. The structure that you have here is actually quite powerful in terms of linking the knowledge centres across Ontario where there's an intensity of research. Do you see a parallel of linking the research such as MaRS, what's happening here, in Kingston, Ottawa, and Kitchener-Waterloo? There's a lot of capacity. Do you see your organization playing a role in connecting those innovators in solving some of our society's most complex challenges?

**Ms. Karen Michell:** Yes, and I think some of that happens through the networks within the research hospitals and with the universities as well. But very specifically, what we're calling for is a body that would do that in a sustainable, permanent fashion for Ontario so that we can take the research strengths that we have and get the most out of them for our patients over time.

**Ms. Mitzie Hunter:** Can I ask that maybe you submit that to this committee?

**Ms. Karen Michell:** Our pleasure.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, and thank you very much for coming today. It certainly was appreciated. A great presentation.

**Ms. Karen Michell:** Thank you very much for your time.

#### KINGSTON HEALTH COALITION

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation this afternoon is from the Kingston Health Coalition. I understand we've got Peter and Sandra with us, or just Peter.

**Ms. Sandra Willard:** Just Peter.

**The Chair (Mr. Kevin Daniel Flynn):** It's up to you guys. Make yourself comfortable, Peter.

**Mr. Peter Stroud:** Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Like everybody else, 15 minutes. Use that any way you see fit. If there's any time left over, the questions will come from the Conservative Party this time. The floor's all yours.

**Mr. Peter Stroud:** Thank you. Well, first of all, I'd like to thank Sandra for getting me here. My car key was stolen yesterday and I had no way of getting here other than public transit, and I might have been late. So thank you, Sandra.

Also, I'd like to thank my colleagues from the Kingston and area health coalition who are here supporting me today.

First of all, I'll just introduce myself. My name is Peter Stroud. I'm a registered nurse. I've been a nurse for 13 years here in Kingston: ICU, intensive care unit, for the last eight years, Providence Care for four years before that, and emergency as well.

I've also got three children who were born at Kingston General, where I currently work. On top of that, my youngest, who is a year old now, might not be with us today if not for the care she got at Kingston General. She got sick at the age of five weeks. She spent seven days in the pediatric intensive care unit and barely made it

through, and so I know what it's like to be on the other side, to be a family member in that situation. It was very difficult, but in the end everything worked out well.

After witnessing that—

**The Chair (Mr. Kevin Daniel Flynn):** Peter, before you start, these mikes are really different. You've got to sit back.

**Mr. Peter Stroud:** Am I too close?

**The Chair (Mr. Kevin Daniel Flynn):** Yes.

**Mr. Peter Stroud:** Okay, sorry.

After witnessing that, and also so much suffering on the job in intensive care in the last eight years and in palliative care before that, I guess I've become more enlightened to the more important things in life. I grew up, stopped playing in a band, and started worrying about the big picture.

I got involved, and what I got involved with was this health coalition. The health coalition, in case you don't know, is actually an Ontario-wide thing, but I'm part of the Kingston chapter. It's basically protecting local health care interests—various parties. It's a coalition, like I said, of union members, but also concerned citizens, elderly, and activists of different types, some of whom you see here today. I've been involved for the last couple of years.

Two years ago, we were doing local town hall discussions: setting up some town halls, inviting people, having the public ask questions of some expert panellists, and discussing issues such as the Drummond report. I was the moderator at one of those events.

After that, there was a plebiscite that was organized here locally. It was called Keep Our Hospitals Public. A lot of organization went into that, hundreds of volunteers. There were polling stations set up all across Kingston and there was a very good voter turnout. This wasn't an official election, so obviously no one was compelled to vote, but almost 10,000 people showed up. It was a very rainy day that day; the turnout exceeded all expectations. Out of that almost 10,000 people, 96% voted in favour of a public hospital funding system, as opposed to a P3, which is a public-private partnership, in case you don't know.

More recently, just last week, the Ontario Health Coalition made a submission to this process here with six recommendations. The Kingston and area health coalition supports all of these recommendations, but I'd like to talk a little bit about recommendation number 6. That's the one that has to do with publicly funded versus P3 hospitals.

Kingston is getting a new hospital: Providence Care. The site has been chosen; the project has been announced. It has been announced that it's going to be a P3, and so the plebiscite campaign centred around this debate. It became a very public debate. It was in all the media outlets and newspapers and such, the plebiscite as well.

During this whole process, there was a figure quoted as a cost. It was \$350 million. It was mentioned many times. Both sides were using the number. It came

originally from the hospital administration. More recently, just in a press release in December 2013, the number \$901 million came out. This obviously added fuel to the speculation of what the true cost was going to be. Obviously, it's still unknown at this point, but we need the process to be transparent, and we need the cost estimate to be forthright and not changing over time; \$901 million is a lot more than \$350 million, and this is a very serious discrepancy.

We may not know the final cost of the hospital, but it will be a number. It will come out in time once it's paid, and that will be it. It may be hard to predict, but we also know that we can save \$143 million on that number if we trust the Auditor General's number from 2008. The Auditor General in 2008 put out a report that showed that a recent hospital had been built with a P3 model and it could have been 16% cheaper with a publicly funded model. So if you apply that 16% in the \$900 million, you get \$143 million.

To put that into perspective, let's look at nursing positions. Nurses like myself, senior registered nurses—64 full-time senior nurses per year for 30 years, or in the case of RPNs, it would be over 100 RPNs per year, RPN positions, for 30 years. For home care visits, it would be 26,000, or 873 home care visits per year for 30 years, the length of the contract.

Then there's the argument that the private interest needs to be compensated for the risk that they assume. To that question, we say, "What risk?" The private contractor will be set up as a local holding company with international owners. If costs get out of control, they can just walk away, let the local holding company go bankrupt and have no loss, so there's no risk. Also, the real risk is borne by the public, of course, because they still will need a hospital built.

Also, if you want proof of the fact that it's a low-risk proposition, look at the financing rates that the private interest will be getting on this deal. They get very preferential financing rates because they know that it's a government-backed program, so that's another proof of the low level of risk. If you eliminate profit from the equation, you save 16%. You raise the money publicly and you have no problem.

The local MPP and government minister mentioned that if we didn't go with the P3 model, unfortunately, we wouldn't get a hospital. Of course, it scared everyone. That statement is only true if we accept the assumption that the money cannot be raised publicly. We have known that we've needed a new hospital for Providence Care for many, many years. We could have easily planned to raise the funds publicly. That really doesn't hold water for us. We respectfully make the submission to take the P3 off the table and start raising the money publicly.

This debate is not going away. In fact, it's growing. The number of people getting involved is growing. People are talking about it more at work and around in the media as well.

I'm just going to finish with a personal perspective. As you know, I'm a nurse. I work every day in the intensive

care unit. Let me just paint you a picture: I'm at work, and I pick up a patient who's near the end. She's dying. She's widowed. She has no children, no family at the bedside. We've done everything that we can to save her, but she's still dying. Her breathing is laboured. She's in pain, but she's awake, and she's scared. So I'm holding her hand and I'm talking to her.

**1310**

At this point in time, the only thing that she has in the world is the sound of my voice and my hand. But we're short-staffed and, all of a sudden, the heart monitor across the aisle goes off: beep, beep, beep. There's another patient across the aisle in cardiac arrest. That is life-threatening within seconds, so of course, I have to leave my patient and go and start CPR. I let go of her hand, I go, I do CPR. Regardless of that—an outcome that, say, takes me 10 minutes—I come back, and she has expired. She has passed away; she's gone. She died alone, with no one. Why? Because we were short-staffed, because we gave millions away in profit to an international company and there was none left to pay another nurse that day.

I have to live with that reality on that shift and the next shift and the shift after that for the rest of my 30-year career. I'd like you to really imagine that situation, so you can live with it too, because one day you may be the one in a hospital, and the only person you're going to have with you is your nurse. So please don't ignore us. Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Peter. Thank you for coming today. You've left about almost five minutes for questions. Who's going to start? Jim?

**Mr. Jim McDonnell:** I see you're in an argument over P3 versus public hospitals, but really it comes down to health care. Today, I'm up here, but I would have liked to attend a funeral of a lady, a neighbour of ours at home, who had been in the hospital for about 60 days, entering with relatively good health and going through a turmoil. I listened to the story the other night. People did not want to complain about the nurses or the—but just the whole system, where somebody who is that sick, every time a new test came up, having to wait and go through the system and wait a week for a certain test because you're not considered a high-enough priority. Getting through that, being bumped from surgery, the next step, getting into the Christmas holidays, 10 days lost, and in the end, passed away last week—so it's 60 days of, really, hell in the hospital.

I can't help but think that if we shouldn't be directing funding to—when a doctor realizes a test is required, somebody that ill who never gets out of intensive care for 60 days, why they're waiting a week for MRIs or being bumped from surgeries, it just doesn't make sense. I guess it goes back to the point, it's easy to say it's public money and there's no end to it, but there is an end to it. What we're seeing from this government is death by 1,000 cuts. Yes, the tests were there, but you're always waiting, and that was the problem, I think, in talking to

her husband. You're always waiting for everything. When things are desperate, it's a long time to wait—a week. Any ideas or solutions to that, other than I guess just an unlimited pot of money that's just not there? I guess we're seeing that this government is finally realizing it's just not there.

**Mr. Peter Stroud:** So the question is: Where can we get the money? By saving 16% by taking P3 out of the equation and putting it under the Public Hospitals Act and not allowing profit to go out the window and into the Cayman Islands.

**Mr. Jim McDonnell:** This was not a P3 hospital. This was a hospital built with public funds.

**Mr. Peter Stroud:** If it was in my hospital, if the patient was at death's door, they would get the tests that day. That's the way it works; it goes by priority.

**Mr. Jim McDonnell:** I guess, with the many people that come in and see me, I'd have to disagree with that. But anyway, any questions, Toby?

I think we see an issue here, and I guess something that really bothers me is that the people that come in to see me—waiting four or five months for an MRI, for example, who know that they can go to Hull to get a private one done for a third of the cost or a quarter of the cost and have it done next week. I think that indicates a problem with our health system, not that you want to go to a private system, but you've got to do something to utilize your money the best you can. Sometimes, if you can get an MRI done tomorrow night by going to a private clinic, to me that just seems that we should at least be looking at alternatives and lessons learned.

It's hard, when you're sitting there—my daughter's friend hurt her knee in the first game of the soccer season. I saw her just before she was going back to university. She was still waiting for an MRI. She was on crutches and going to start at university. Now, what does she do at university, where you're expected to walk around?

Those are the inefficiencies in our health system, and I think those are inefficiencies that are easily fixed—and I'm not talking about paying through any other way but your health card.

That's the other thing that bothers me: People who are going to the private clinics are paying out of their own pocket. In essence, they're saving the government \$2,500 for that MRI and paying the \$700 to the clinic.

It's just that there needs to be another way of looking at it. We're not looking at cutting money, but you need to get the biggest bang for your buck. There are too many examples of people not getting the health care they need when they need it. You see a case of that just today at home.

**Mr. Peter Stroud:** You still can't have a discussion about efficiency and saving money without discussing the profit motive that doesn't need to be in the system.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you.

**Ms. Sandra Willard:** May I make a comment?

**The Chair (Mr. Kevin Daniel Flynn):** Unfortunately, you can't. Your time just expired. I wish you'd come forward a little sooner. But thank you very much for coming

today, Peter. Thank you for your presentation. We did appreciate it.

**Mr. Peter Stroud:** Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you for driving him, Sandra, even though you weren't able to speak.

### ONTARIO FRUIT AND VEGETABLE GROWERS' ASSOCIATION

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation this afternoon is from the Ontario Fruit and Vegetables Growers' Association: Art Smith. If you'd like to come forward, Art. Like everybody else, you have 15 minutes. Use that any way you see fit. Any questions will be from the NDP.

**Mr. Art Smith:** Thank you very much, Mr. Chairman, and ladies and gentlemen. My name is Art Smith, and I'm the CEO of the Ontario Fruit and Vegetable Growers' Association. We are one of Canada's oldest farm organizations, and we have been the voice of Ontario's 7,500 fruit, vegetable and greenhouse producers for over 155 years.

Today I'd like to talk to you about several issues that directly impact our industry and the thousands of people who work in this industry. These issues include the lack of a modern utility infrastructure, which is preventing investment in our sector, and the province's plan to raise the minimum wage, which has the potential to further impair our sector, killing jobs and putting farmers out of business.

We are the most diversified component of the agricultural sector. Our farmers grow more than 125 different fruit and vegetable crops, with a total estimated farm-gate value of \$1.5 billion.

In the last three years, the Ontario greenhouse vegetable sector, one of the few economic bright spots in Ontario horticulture, has invested over \$500 million and increased their acreage under glass from 1,900 acres to 2,400 acres—about \$1 million an acre.

Driven by cheap natural gas, healthier eating habits, US market growth and the eating-local movement, the greenhouse industry is looking to continue that expansion and invest another \$500 million right here in Ontario. However, the investment is now at risk for a number of reasons.

Ontario greenhouse operators lack access to critical natural gas and electricity infrastructure to make their operations competitive with growers in the state of Michigan.

Pressures from Mexico, with its cheaper costs and labour, are forcing Ontario farmers to look for lower-cost alternatives, including locating in Michigan.

Ontario growers can no longer pass on increased costs associated with their operations to customers—because of the global economy, we are now all price-takers.

This lack of infrastructure means Ontario greenhouse operators do not have the required access to combined heat and power to make their operations more competitive. Natural gas and electricity infrastructure must

expand, especially in areas like Leamington, in order for Ontario's greenhouse farmers to remain competitive.

Under the current arrangements, utility companies are demanding up front, very significant financial contributions from the greenhouse sector, to expand this infrastructure. This is simply not feasible. The sad irony here is that Michigan is using cheap, Ontario-based power that our farmers simply cannot access.

The OFVGA, along with its members, would like to work with the government to find a solution to speed up the expansion of natural gas and electricity infrastructure, so that Ontario can take advantage of this pending half-billion dollar investment by greenhouse farmers and build a more competitive and sustainable industry.

1320

The Ontario fruit and vegetable sector is the most labour-intensive sector of all of agriculture. Our farmers provide more on-farm jobs than any other agricultural sector. For parts of agriculture, this issue of minimum wage is not a concern. However, for the horticulture sector, and especially the edible horticulture sector, the minimum-wage issue is of critical importance.

If you take the grain and oilseed sector, for example, wages amount to only a few per cent of the total expenses, and those hired would tend to be more-highly-paid equipment operators. In the tender-fruit sector, however, labour costs amount to over 60% of their annual variable expenses, and most of the workforce is currently at the minimum-wage level.

In total, our sector supports over 30,000 on-farm jobs in rural Ontario as well as a further 8,700 jobs in food processing sectors specific to horticulture and specialty crops. Minimum wage, and specifically minimum-wage increases, are of great concern to our farming sector.

Any increase in the minimum-wage rate would affect many types of employers across the province. I would like to break these employers into two general categories. The first are those employers who can pass on new and additional costs to the consumer, and then there are those employers who simply cannot do that. These are the price-takers, and they must absorb cost increases, as they have no mechanism to pass on any additional expenses.

Our farmers fall into the latter category for a number of factors specific to our sector. First, we compete in the global market. Canada is a major importer and exporter of agricultural products, and international competitors do not have to meet the same environmental, production and social standards as our farmers do here at home.

As mentioned earlier, we are price-takers, not price-setters. As such, the lowest-cost product available on the world market dictates prices for fruits and vegetables here in Ontario. When Ontario farmers attempt to recover their costs through a price increase, our homegrown product is no longer competitive, and retailers turn to lower-priced imports.

Second, one size does not fit all. Ontario is a diverse province, and the cost of living in Ontario is not the same in all regions. Most minimum-wage jobs in the province are in the service sector, and the bulk of these employers

have the ability to pass wage hikes on to the consumer by ultimately increasing the sale price of their product or service. The global market means Ontario fruit and vegetable farmers have no mechanism to pass on cost increases or factor them into pricing agreements with buyers.

Thirdly, Ontario farmers must also be competitive with farmers in other provinces. Wage rates in Ontario for farm labour must therefore also remain competitive with those in other provinces. If not, Ontario farmers will quickly be at a competitive disadvantage with their counterparts across the country.

The horticulture sector is still struggling to absorb the last minimum-wage increase to \$10.25 an hour. This had the largest effect on the number of hours worked in Ontario's horticulture sector. This means that any work hours in addition to the essential or mandatory hours, such as harvesting—hours that would have been spent on maintenance and upkeep, the removal of weeds and so on—were reduced or cut.

The last series of minimum-wage increases amounted to an increase of 28% between 2008 and 2010. It is important to note here that according to Statistics Canada data, Canadians on average, over the 10-year period from 2002 to 2011, paid only 2% more for fresh fruit and 1% to 2% less for fresh vegetables over that same 10-year time period. Once again, consumers paid 2% more and 1% to 2% less from 2002 to 2011.

These figures show the general trends. While there is always up-and-down movement in prices as different factors affect the marketplace, the overall trend has flatlined. The effects of globalization on our industry will forever be a challenge and will continue to put pressure on our already very slim margins.

While an increase in the minimum wage will put strain on many of our members, we understand that minimum-wage rate increases are inevitable. This is why we support a minimum-wage system that follows the Ontario consumer price index and avoids any lump-sum increases to the minimum-wage rate. This will ensure that the minimum-wage system is stable and predictable, allowing the farmers and other business owners to plan responsibly for changes in their labour costs.

Smaller annual increases are much easier for employers to deal with and absorb, if necessary. It will also keep income levels current with inflation, serving both employers and employees better than the current system does.

However, should the government choose to increase the provincial minimum-wage rate and then follow that with an implementation of an inflation-based system, then we would ask that the provincial government recognize the realities of the agricultural business, like those of global trade, and create a separate agricultural wage rate.

The reason for this ask is that the Ontario horticulture sector is heavily dependent upon the Seasonal Agricultural Worker Program. Because this program is administered by Employment and Social Development Canada, we do not control what wage is paid or how it is

set. ESDC establishes the wage rate for the Seasonal Agricultural Worker Program by using either the provincial minimum-wage rate or the going regional wage rate for comparative work, whichever is higher.

The wage rate set by ESDC changes by province and is dependent upon the province in which the work is done. Any significant wage increase will most certainly jeopardize the sustainability of Ontario's fruit and vegetable sector.

For information purposes only, the seasonal worker program wage rate has already been set by ESDC, and for Ontario it is \$10.33 an hour.

Our farmers cannot absorb any additional lump-sum increases, but should this happen, we will see widespread loss of local food production in Ontario as fruit and vegetable farmers go out of business. For this reason, a separate wage rate for agriculture is needed because it will help keep us more competitive with agriculture in other provinces and countries.

Some people will argue that if we are to follow the CPI in establishing the minimum-wage rate, then we must first have an adjustment to make up for the fact that there has been no increase in that rate since 2010. Their thought is that we need to make up for inflation.

In reality, however, this is not the case. In fact, we are well ahead of inflation. If we had been using CPI to establish the minimum-wage rate since 1995, the minimum-wage rate in Ontario today would be \$9.70, not \$10.25. If we had been using CPI since 2003 to establish the minimum-wage rate, we would be at \$8.57. Clearly, we are ahead of inflation and cost-of-living increases. There is no justification for any catch-up adjustment before moving to a CPI system.

Not all employers, and certainly not all sectors, can afford significant wage increases. As I've already mentioned, some sectors have the ability to pass on additional expenses such as wage increases, but many, like fruit and vegetable farmers who compete in a global market of often highly subsidized product, do not. Therefore, extreme care must be taken when the minimum wage is increased so as to not place certain employers and sectors at a disadvantage versus their competition. Ontario's manufacturing sector has suffered thousands of job losses in the recent past and clearly illustrates the results of lost competitiveness in a world of global trade.

The key to economic success and therefore reducing poverty is to find a good balance between the needs of both the employee and the employer. This will create job opportunity and not diminish it through job loss. It should be noted here that in the non-edible horticulture sector, which is flowers and that group, 10% of all jobs were eliminated following the last round of minimum-wage increases. In the edible horticulture sector, many jobs were also lost; so too, and even more importantly, the number of hours worked was also reduced as this was the only means for the farmers to keep their labour bills in check.

In conclusion, I would like to reiterate that we believe that the fruit and vegetable sector can live with a minimum-wage system that follows the CPI for Ontario.

But should there be an increase to the minimum-wage rate prior to adopting a CPI-like system, then agriculture in Ontario would need to have its own wage rate developed so that Ontario's local food system can remain resilient, robust and thriving, like the Local Food Act aims to achieve. Thank you very much.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Art, for your presentation.

There's about a minute left. Catherine or Michael?

**Mr. Michael Prue:** You've given us some information here. The overwhelming majority of people, as you have admitted yourself, work in the non-agricultural sector, and most of them work for very large corporations that pay minimum wage, places like McDonald's and Walmart and Target. They are multi-million dollar corporations. So we have to balance the two, and I think you've tried to do that too.

1330

**Mr. Art Smith:** Exactly.

**Mr. Michael Prue:** So I want to thank you for giving the ideas, but what do we say to the people in the non-agricultural sector who are looking to get out of poverty if we don't raise their wages?

**Mr. Art Smith:** In the non-agricultural?

**Mr. Michael Prue:** Yes, in the non.

**Mr. Art Smith:** I can't speak to non-agricultural. I mean, I'm here to tell the story about our realities.

**Mr. Michael Prue:** No, no. I know your realities, but I mean, there's also the other reality of the majority of people—

**Mr. Art Smith:** Well, I think what you do is you look at it and say that we're going to have a double wage rate. One may be here and the other one somewhat lower than that.

**Mr. Michael Prue:** You've made a good point, and I thank you for that.

**Mr. Art Smith:** I have no problem with that type of approach.

**Mr. Michael Prue:** Okay. Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much, Art, for coming today. We appreciate it.

**Mr. Art Smith:** Okay, thank you.

#### INTERFAITH SOCIAL ASSISTANCE REFORM COALITION

**The Chair (Mr. Kevin Daniel Flynn):** Our next presenter this afternoon is from the Interfaith Social Assistance Reform Coalition: Bishop Michael Oulton—and friend.

**Mr. Jamie Swift:** Jamie Swift.

**The Chair (Mr. Kevin Daniel Flynn):** Okay. Have a seat. We'll distribute those for you if they are copies of the presentation. Welcome. Like other delegations, you have 15 minutes. Use that any way you see fit. Any time left over for questions will come from the government. And if you would introduce yourselves so we know who you are on Hansard.

**Bishop Michael Oulton:** Thank you very much. My name is Michael Oulton, and I'm the Anglican bishop of the diocese of Ontario that takes in an area centred here in Kingston, but runs from Trenton to Cardinal to Kemptonville to Bancroft. I'm here today with Jamie Swift.

**Mr. Jamie Swift:** My name is Jamie Swift. I'm here on behalf of the Justice and Peace Commission, Anglican and Catholic, here in eastern Ontario. I work for the Sisters of Providence, justice and peace office, and I teach at the Queen's School of Business.

**Bishop Michael Oulton:** Just leading off here—and I think Jamie and I are both here kind of in support of the Interfaith Social Assistance Reform Coalition, an organization that has been in place for about 30 years. It has had opportunities to make presentations before committees such as this, speaking on behalf of those who one would probably refer to as the vulnerable within society, those who are at risk, those who are sometimes referred to as the voiceless within society—to speak up on behalf of that constituency, and speaking specifically with respect to issues around poverty.

As we begin our presentation, I would say that even though ISARC can be identified with a particular constituency, when we make these presentations, we do so on behalf of all of the citizenry of our province, because the issues that affect those most in need have ramifications across the board and affect all facets of society. As we work to improve the lot of those who are less fortunate, we are making substantial investments in the life of our society as a whole. So ISARC works very hard to identify issues within a particular constituency, but always with a view to the broader life of our province, again keeping in focus our overriding concern: that we live in a province, in a jurisdiction, in a country that is deeply blessed, and we have an opportunity to share, one with another, and to take the opportunity to speak to groups such as yourselves as you prepare the fiscal and economic direction forward for the province. So we thank you very much for that.

I'll turn it over to Jamie for the first part.

**Mr. Jamie Swift:** I would first off want to congratulate all three parties for their unanimous support of the Poverty Reduction Strategy back in 2008. Unfortunately, in spite of the baby steps forward that have been made in light of the Poverty Reduction Strategy, times remain as tough as ever for Ontario's poor. More than half a million Ontarians are now working for Ontario's minimum wage of \$10.25 an hour, which has been frozen for the past four years. I think a crucial point to make is that if you work full-time at the minimum wage, you still live below the poverty line. So I think that's something that should underline our presentation at all times.

People in faith communities work on the front lines in support of our most vulnerable neighbours. Right across the street from Bishop Oulton's office, behind the Anglican cathedral here in Kingston, they run Food by George—Food by George?

**Bishop Michael Oulton:** Lunch by George.

**Mr. Jamie Swift:** Lunch by George, which is a play on words, since it's St. George's Cathedral. It works 52

weeks a year, with lunch every day. We hear first-hand accounts of poverty and what it means to people's lives.

ISARC members witness despair, including talk of suicide by people who see no hope in their lives. Their health suffers from these deprivations and the anxiety they experience—and I think that's another point that we want to underline: The health effects and the health costs of poverty in the long term are something we should never lose sight of. Poverty makes us all sick.

**Bishop Michael Oulton:** Since I became bishop in 2011, it has given me an opportunity to find out a little bit more, across the breadth of the area that I serve, about some of the challenges that are faced by those who are working to alleviate poverty—the huge challenges that they face—and also the individuals living in those particular circumstances.

In my opinion, and I think in the opinion of ISARC as well, over the last two and a half decades there has been a shift in the conversation that we've had across society. We've focused—and I think, in a sense, it makes sense that we have—on the importance of deficit reduction within the life of our country and our society, and to take a reasoned and reasonable look at how we spend our tax dollars. But there has been an increasing emphasis on deficit reduction as a sole strategy of moving the province's economic future, and I think that's not just true in Ontario, but right across the country. A lot of the direction has been focused on that conversation. The fallout from that has been, I think, quite difficult in a lot of ways.

We have moved away from a conversation where we see that if we are supporting those less fortunate within the life of our society—we saw it as investing within the life of our society. Now we have a conversation that I find in a sense disturbing, where those who are in need, those who require the services of society, are seen as taking from society with no value added back. I think there's an opportunity in the fiscal direction moving forward to restore balance to that conversation, to move away from what I think ISARC has termed a "gospel of austerity" to looking at the opportunities that are before us to once more start making investments in our people.

Jamie referred to the Lunch by George program. There are a number of programs that go on—not only in the city of Kingston, but across the region—that help folk who are, through no fault of their own, in a circumstance of difficulty and hardship. If there was a sense to invest in them, to help them to restore their sense of dignity, self-worth and being contributing members of society, and talking more in a language of partnership rather than a language of benevolence, charity or handout, working together, one with the other—I think that's going to make a huge difference for us.

In talking about making investments in people, ISARC wants to focus on the fact that there are opportunities for government to do this. I draw your attention to some of the proposals that we have put in our presentation related to taxation, talking about some ways in which government can raise additional revenue. We're proposing a 1% increase in the tax rate for the wealthiest 5% of Ontario

ians, those earning \$108,000 or more. Our figures say that that would raise \$480 million annually.

We're also looking at restoring the corporate tax rate to the level it was at in 2009, to raise an additional \$3 billion annually in government revenues. ISARC's numbers show that Ontario has one of the lowest corporate tax rates in Canada, even lower than that in Alberta. Again, it's an opportunity to raise funds to invest in people and change the tone of that conversation once more. It's a positive sense in that way.

1340

**Mr. Jamie Swift:** Yes. We want to reiterate, as Bishop Oulton underlines here, that we can choose to build a fairer society. We are encouraged by the 2013 throne speech, which refers to the need for a society where each and every one of us is safe, healthy and cared for. Those are good throne speech words, but what we have to do is summon the political will to give them traction.

We've outlined in our brief—we're not going to read them out. We propose a raise in the minimum wage, again, to \$14 an hour in two stages by 2016. There used to be this Victorian, old-fashioned notion of a difference between the deserving and the undeserving poor. I don't subscribe to it, but even if you did, the "deserving poor" are those who are working full-time. As I've already pointed out, working full-time, all year round, at a minimum-wage job will still leave you below the poverty line. This is fundamentally unjust.

We'd also call, along with the Put Food in the Budget campaign, for a \$100-a-month increase in social assistance for people on Ontario Works. We'd want to add significant spending to affordable housing here in Ontario, something that has been neglected and that even the Drummond commission urged the Ontario government to take leadership on. As with the social assistance increase, spending on housing provides stimulus to local economies. The money stays here; it doesn't go to the Cayman Islands, which one of the previous speakers mentioned.

Dental care: We want to congratulate the Ontario government for expanding the eligibility for free dental care to 70,000 more children, to help break down barriers, to provide opportunities, and we think this initiative should be carried forward to adults who are living in poverty. Too much of the time in our emergency rooms goes to people who can't afford dental care and they wind up in the emergency room. It returns to my original point about poverty making us all sick, which relates to the article that I've passed around, along with our presentation.

Professor Elaine Power, who teaches health studies here at Queen's University, earlier this month had an article in the Whig-Standard that made exactly these points about poverty making us all sick. She called it "Health 101."

**Bishop Michael Oulton:** I just want to reiterate once more, just as we close our presentation, that a lot of the issues we identify here are issues that don't easily show up on a balance sheet. When people are struggling in their home life—and it's a significant sector of our

population—this has an effect in the long run. You can take any one of a number of sectors, whether it's health care or whether it's education—all of these things that the government has to take action on: When people are struggling around housing and maintaining a roof over their heads, it leads to an instability within society, a breakdown in the stability of the family unit as well as the stability of the community itself.

I've appreciated the opportunities that my colleague in the Roman Catholic Church, Archbishop Brendan O'Brien, and I have had annually to sit down with Minister Gerretsen and have an opportunity to speak about some of these issues. I know that MPPs across the province take that opportunity to listen to the sectors of society that are raising these issues and dealing with these matters on a hands-on basis.

Again, I think there's a wonderful opportunity before the Legislative Assembly to be able to begin to change the conversation, change the dialogue, move towards a more balanced approach, and begin to start looking at our taxation regimen and our fiscal regimen as an opportunity to invest in the people of the province of Ontario. My friends, when you do that, I think you will receive huge benefits as a result.

Thank you very much.

**The Chair (Mr. Kevin Daniel Flynn):** Wonderful. Thank you, Jamie, and thank you, Bishop Oulton. You've left about a minute and a half for probably one quick question.

**Ms. Mitzie Hunter:** Wow.

**The Chair (Mr. Kevin Daniel Flynn):** Go ahead, Mitzie.

**Ms. Mitzie Hunter:** I know that my colleagues also wanted to speak with you. Thank you so much for your presentation and the very thoughtful way that you've made suggestions.

I can certainly assure you that the Poverty Reduction Strategy is something that we're very committed to. It's a cross-ministry effort and initiative.

We're moving forward also in transforming our social assistance. Those initiatives are being rolled out. In September, we announced increases to Ontario Works, and the \$200 without clawback. There are a number of initiatives that are being implemented as we speak, to really combat that notion of austerity, and ensuring that those that are most in need receive the help and the supports that they need—as well as investing in people right across the spectrum, whether it's in education, the 30% off tuition for middle- and low-income, or in health care and in other ways.

I think that you've been very thorough in your presentation, and some of this, we need to go back and we need to look at, particularly along the tax recommendations and how we can boost revenues, and ensuring that we boost revenues in a context where we continue to have a thriving economy, because at the end of the day, if we ensure that our economy is thriving, then our people are working and are living productive lives.

I just want to say thank you for your presentation.

**Mr. Jamie Swift:** Thank you.

**Bishop Michael Oulton:** Thank you very much. Thank you for your time.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much for being here today. It was appreciated.

## CANADIAN RENEWABLE FUELS ASSOCIATION

**The Chair (Mr. Kevin Daniel Flynn):** Our next presentation this afternoon is from the Canadian Renewable Fuels Association: Deborah Elson, the president. Come forward, Deborah and make yourself comfortable. We'll hand those out for you. You have 15 minutes, like everybody else. Use that any way you like. If there's any time left over, it will come from the Conservative Party.

**Ms. Deborah Elson:** Great. Thank you.

**The Chair (Mr. Kevin Daniel Flynn):** It's all yours.

**Ms. Deborah Elson:** Mr. Chairman, members of the committee, thank you very much for the opportunity to be with you here today to discuss the Ontario budget. My name is Deborah Elson. I'm the vice-president of the Canadian Renewable Fuels Association.

CRFA members produce a suite of innovative fuels and co-products. Our members produce ethanol and renewable diesel from an array of feedstocks, including corn, wheat, soybeans, canola, spent cooking oils and rendered animal residues, as well as wood waste, forest biomass and reclaimed municipal solid waste.

Renewable fuels like ethanol and renewable diesel significantly reduce greenhouse gases when compared with the petroleum products they are blended with. There is a federal inclusion requirement for the use of renewable content in transportation fuels. That requirement mandates that 2% renewable content is blended into the national diesel pool. This mandate allows fuel providers the flexibility to comply in whatever provincial jurisdictions they choose, as long as the national average corresponds to 2% of the total fuel pool.

Each of the western provinces has their own unique provincial requirements for renewable content in diesel. British Columbia requires 4% renewable content, while Alberta, Saskatchewan and Manitoba all require 2% renewable content. This does not replace the federal requirement; it is a complementary regulation.

We need a renewable diesel mandate in Ontario, and the government has responded. The 2013 provincial budget announced the repeal of the biodiesel tax credit of 14 cents per litre, effective April 1, 2014. The budget also announced stakeholder consultations on the creation of a renewable content requirement for diesel fuel in Ontario. These consultations led to the recent announcement of the provincial government's notice of intent to regulate a greener diesel mandate for the province of Ontario.

It is worth noting that trucks entering Ontario from Michigan, Illinois, Pennsylvania, New York, Vermont, New Hampshire, New Jersey, Ohio, Minnesota and Manitoba all have biodiesel in their tanks today. The Ambassador Bridge alone has over 10,000 trucks entering Ontario with biodiesel in their tanks every day.

Minnesota requires that 5% biodiesel is blended year-round and 10% is blended during the summer months. Some 48,000 trucks enter Ontario from Minnesota with biodiesel in their tanks.

Some have asked why we need a mandate in Ontario if the federal mandate applies to the national fuel pool. There is very little blending of renewable content being done in Ontario, because any blending that occurs here is strictly on a voluntary basis, whereas blending is mandatory in the western provinces.

As you can see from my third slide, the result of this is that the oil and gas companies are blending significant amounts of their federal obligation in the western provinces. The obligated parties are actually over-blending renewable content beyond their required obligations, to concentrate their efforts and investment. In many cases, they are blending at 5% renewable content out west. This is unacceptable to Ontario farmers and to the Ontario renewable fuels industry which are forced to compete for their fair share of the federal mandate with their western Canadian counterparts whose provinces have their own inclusion requirements.

### 1350

The Ontario government proposal would require that 2% renewable content is blended into the province's diesel pool. The proposal would also require a guaranteed greenhouse gas emission reduction of 50% on average compared to petroleum-based diesel. In 2016, the volume grows to 4%, with a GHG reduction of 70%. The proposal ensures the fair recognition of the GHG reductions that renewable fuels provide and places a premium on those fuels that reduce GHGs the most. The GHG reduction requirements ensure that the goal of the proposed regulation, the reduction of GHGs, is achieved. There are also benefits from the reduction of other toxic emissions from petroleum fuels.

Creating this mandate in Ontario provides business risk management for Ontario farmers. The Greener Diesel proposal represents a potential market for over 680,000 tonnes of soybeans. It will also ensure market access for Ontario biodiesel producers and significantly reduce the emissions of both greenhouse gases and other toxic substances from Ontario's fleets. It is a win for the environment and the economy, and will allow Ontario to contribute to its own energy security as opposed to importing fossil fuels from elsewhere.

The Grain Farmers of Ontario, the Ontario Federation of Agriculture, Soy 20/20 and Ontario Agri-Food Technologies have all supported the creation of the Greener Diesel mandate because of what it represents for our farmers. CRFA strongly supports the government's goal of regulating this inclusion requirement and believes that this proposal should be implemented as soon as possible.

Our association would also like to look at the broader policy framework for fuels in Ontario. As you may know, the federal government has regulated a mandatory fuel economy requirement for new vehicles sold in Canada. Starting in 2017, the Corporate Average Fuel Economy, or CAFE, standard will require new vehicles to almost triple their current efficiency by 2025. This approach is

appropriately integrated with the United States, whose platform for manufacturing automobiles is closely interconnected with our own.

This will demand significant technological change, to be sure, but that new technology will also require specific fuels. Original equipment manufacturers like Ford and General Motors have publicly stated that they will require higher-octane fuels to power what will be smaller, lighter engines. There is no cheaper and cleaner source of octane than ethanol.

The problem is that consumers don't have access to this higher-octane fuel, and they won't unless we start acting now. Pump turnover takes a significant amount of time. Adapting our fuelling infrastructure to keep pace with the demand for higher-octane fuels is essential. This will ensure that consumers have the fuels they need to maximize the environmental performance of their vehicles.

We recommend that the government encourage pump turnover by using tax measures to aggressively depreciate the capital outlay required to update today's fuel pumps. This will provide consumers with the fuelling choices needed to ensure that the goal of the CAFE standards is met: increasing fuel economy. Currently, those options simply do not exist.

Our ethanol producers are also working to diversify their businesses. The Ontario Ethanol Growth Fund has helped our members build out their capacity and commit to research and development of an exciting array of advanced bioproducts. The program creates almost \$1 billion in economic activity annually, or a 4-to-1 return on investment, and has contributed to building out over 730 million litres of ethanol production here in Ontario.

While today's ethanol plants are quickly turning into the biorefineries of tomorrow, in no small part due to the OEGF, we need to develop a provincial bioeconomy strategy. Sadly, there has not been much leadership from the federal government in this regard. The time is opportune for Ontario to lead in promoting an advanced bioeconomy that will further diversify the products that come from our agricultural and forestry sectors.

The province should be specifically applauded for its work in promoting the reduction of GHGs in the agricultural sector. A provincial bioeconomy strategy will integrate more sustainable products into the manufacturing sector. A provincial bioeconomy strategy will serve as a beacon to investors, can be built off the existing Growing Forward 2 framework and will further the goal of reducing emissions in all sectors by promoting the development of sustainable products.

Finally, I want to talk about advanced biofuels like cellulosic ethanol. Cellulosic biofuels are on the cusp of commercialization in Canada and will play an instrumental role in the continuing growth of a strong domestic biofuels economy. These advanced biofuels represent an important segment of the clean technology industry in Canada. Employing breakthrough technologies and innovation, cellulosic biofuels use a wide variety of local biomass and residues for the production of renewable fuels.

We recommend exempting cellulosic ethanol from the 14.7-cent gasoline tax. Exempting cellulosic biofuels from the provincial gasoline tax would directly contribute to meeting the government's goal to create economic growth in a fiscally responsible manner while significantly reducing GHG emissions in Ontario.

As demonstrated with similar incentives for other commodities, this relatively small tax measure would encourage domestic production and retain cellulosic biofuels in Ontario. This ensures that the economic and environmental benefits accrue locally, where they matter most. In fact, similar tax exemptions assisted in the start of the traditional ethanol industry in Ontario.

Globally, Canada and, as a result, Ontario are falling behind the growing trend to incentivize cellulosic biofuels as industrialized countries attempt to keep this GHG-reducing, economy-growing fuel within their borders. The existence of this important incentive would result in Canadian-made cellulosic biofuels remaining in Canada where they belong and where they will help kick-start the industry in the province of Ontario.

The government has encouraged the growth of the industry, but there is little in place to encourage the use of the fuel in Ontario. Aggressive subsidy programs in the United States draw the product from around the world. The United States has several tax credits available for the production and blending of advanced biofuels, including a producer tax credit for cellulosic biofuels as well as an accelerated depreciation tax program for cellulosic ethanol facilities. These credits stimulate production in the US, but they can also draw product in from other jurisdictions.

We are competing with extremely deep pockets. A tax incentive in Ontario would help level the playing field and ensure that Canadian cellulosic biofuels are consumed domestically rather than being pulled into more aggressive markets. This is important so that our communities can get the full environmental benefits that using these fuels provides. Very small tax measures like exempting cellulosic ethanol from the current provincial gasoline tax of 14.7 cents would reduce the significant price gap that the US subsidies create and would encourage cellulosic ethanol consumption in Ontario.

I wish to thank you for allowing me the opportunity to speak with you today. On behalf of the CRFA, we encourage all parties to support the creation of a renewable diesel mandate without delay.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Deborah. You've left between a minute and two minutes for questions. There's probably time for one; maybe two.

Toby?

**Mr. Toby Barrett:** Thank you, Chair. Exempting the tax on cellulosic ethanol—14.7. There's a proposal, actually, for that tax to go up to 24.7, which would make that tax break even more significant if that were to ever go through. Cellulosic—we're talking wood fibre, primarily?

**Ms. Deborah Elson:** It can be made from any sort of biomass feedstock. Enerkem Technologies are converting biomunicipal waste to cellulosic.

**Mr. Toby Barrett:** Okay. And then the United States—what is this state exemption on tax? Which states, do you recall?

**Ms. Deborah Elson:** I do not have that information. I could certainly get that to you.

**Mr. Toby Barrett:** You don't? What's the barrier for biodiesel? I know Rothsay, for example—that's deadstock. The restaurant trade: Are they contributing?

1400

**Ms. Deborah Elson:** Yes. Rothsay and Biox both use tallow and used cooking oils. Biox is feedstock agnostic, so they could convert any fat product.

**Mr. Toby Barrett:** And usually what percentage of it is soybean?

**Ms. Deborah Elson:** I don't think either Biox or Rothsay use soybean—

**Mr. Toby Barrett:** No, I just wondered—in other states or provinces.

**Ms. Deborah Elson:** I believe there might be one facility out west using soybean. I don't think there is one in Ontario. I know the—

**Mr. Toby Barrett:** So we're not necessarily substituting a food product for a fuel.

**Ms. Deborah Elson:** No.

**Mr. Toby Barrett:** Okay. That's what I wanted to know.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you, Deborah. Thank you very much for coming today. We appreciated your presentation.

**Ms. Deborah Elson:** Thank you very much for your time.

#### ONTARIO ASSOCIATION OF CHILDREN'S AID SOCIETIES

**The Chair (Mr. Kevin Daniel Flynn):** Our next delegation this afternoon is from the Ontario Association of Children's Aid Societies: Mary Ballantyne. Mary, if you'd like to come forward, make yourself comfortable. We'll hand those out for you. You have 15 minutes like every other delegation. Use that any way you like. Any time left over will go to the NDP. It's all yours.

**Ms. Mary Ballantyne:** Thank you. Good afternoon, everyone. My name is Mary Ballantyne, and I'm the executive director of the Ontario Association of Children's Aid Societies. I have with me Terri McDade, who is a board member of the local children's aid society here in Kingston, and she's also on the provincial board of directors.

The Ontario Association of Children's Aid Societies is the voice for child welfare and represents 44 of the 46 children's aid societies in Ontario as well as six of the pre-mandated aboriginal agencies in Ontario. We're dedicated to providing leadership for the achievement of excellence and the protection of children and the promotion of well-being within their families and communities.

Children's aid societies in Ontario have the exclusive mandate, as defined by the Child and Family Services Act, to protect and care for children who have been or are at risk of abuse and neglect. The child welfare legislation

and several supporting regulations, directives and standards are highly prescribed with specific and detailed requirements of what, how and when CASs must provide these services. CASs are required to respond to all children who are referred to them who meet the eligibility requirements established in the Ontario Child Welfare Eligibility Spectrum.

The Ontario Association of Children's Aid Societies and the children's aid societies are conscious of the fiscal environment in Ontario, and we worked very closely with the Commission to Promote Sustainable Child Welfare, the commission that was established by this government to look at the sustainability of child welfare in Ontario. Children's aid societies have focused their attention to and made progress on many of the key areas identified by the commission, including fiscal constraint, reconfiguration of services, amalgamation of agencies, implementing accountability requirements, enhancing local agency governance and measuring service performance. We are working towards the commission's modernization plan, balancing effectiveness and efficiency.

We'll also note that at the same time as doing this, the need for child protection services in Ontario continues. In fact, the number of ongoing services or the families that are requiring longer than just an initial assessment service have increased by more than 10% in Ontario in the last two years. Fewer children are coming in to state care, and this number has declined over the last five years as children's aid societies are working very hard to invest in children within their own homes. But in order for us to continue to do the work that we do and to make the changes required, we do have some recommendations and requests of you.

The first has to do with the funding and the funding model. At the beginning of 2013-14, a new funding model was put in place in children's aid societies, and, at the same time, the approved child welfare budget was basically the same as it has been for the last three years. The children's aid societies have embraced the change, but they do need stability through the change process to continue the critical services to vulnerable children, youth and families without disrupting or destabilizing that service.

Our recommendations are that we restore the funding to the level of funding that was provided in 2012-13 of \$1.464 billion, recognizing the real cost of protecting children, and that we use that to accelerate the implementation of the new funding model, where agencies that have been identified as requiring more funding receive that funding; and those that are needing to decrease their budgets receive salary adjustment and labour adjustment costs to assist with that; and that there also be some bridging transfer funds to assist them as they make those changes.

We also ask that a new funding model be developed to address the negative impact of the current model on remote and aboriginal agencies, and also that the model look to provide contingency funds for extraordinary circumstances that do come up in local communities, that affect their child protection needs.

The second set of recommendations is for aboriginal children and families. We have seen some overall improvements in service trends in Ontario for children generally, and those are outlined in the paper we've provided for you. But these improvements have not been there for aboriginal children, and in fact, their situation continues to be dire. We do ask that you look at a funding model that will reflect the needs for aboriginal children. This was a recommendation specifically made by the commission.

We also ask that we move forward with and provide the resources necessary for the designation of the aboriginal agencies who are ready to take on their own protection mandate.

The third set of recommendations has to do with a northern framework for child welfare in Ontario. Northern Ontario requires a specialized framework to look at the structuring, funding, governing and delivery of child welfare services in the non-aboriginal communities and also the aboriginal communities. The broad geography is significant there, and in order for children to be well served in the north, a separate strategy is necessary there.

The next set of recommendations has to do with services for youth. Many youth in the care of a children's aid society have experienced trauma, tragedy and loss, and many require long-term treatment. Although the number of children in children's aid society care is declining, the number of youth in care is sustained and is not expected to decrease in the near future. But we can create more opportunities for permanent families and supports for these youth so that they can go on to lead productive lives.

Our recommendations for youth are the following: At this time, the Ontario legislation does not allow for the protection of 16- and 17-year-olds, so we ask that the legislation reflect the need to protect 16- and 17-year-olds from abuse and neglect, and that children's aid societies be provided with the resources to do so.

We also ask that there be subsidies for youth to the age of 21 so that they can stay in permanent homes.

Also, we would ask that the health and dental care for youth who have grown up in care be extended to age 25, as this would be the case for most youth living in their own homes or attached to permanent families.

The next set of recommendations has to do with improving permanency and adoption. Many children are adopted in the younger age groups. However, we know that a number of children with complex needs are not able to be adopted because of the need for subsidies. Often, complex developmental, physical, psychological and emotional needs come with these youth, and extra resources are necessary. But stability for these youth is really important, so we do recommend that we provide subsidies to enable families to adopt older youth, especially those with exceptional needs.

We also ask that we remove the disincentives to adopting crown wards, who receive significant support resources if they remain as crown wards, but all of those resources are lost if they are adopted.

The last set of recommendations is for services to support families in very high-risk situations. Children's aid societies are stretched within their current mandate to balance their budgets and meet accountability initiatives, but we are still one of the only organizations in many communities to provide for the complex needs of children and families. The issues and the needs of these families are often embedded in a long history of trauma and abuse, and the communities require the resources to be able to address those issues.

1410

We recommend that services to prevent further problems be continued within communities, especially within First Nations and rural communities, and that we make the needed investments in youth and adult mental health so that we can do things like address partner violence and substance abuse, treatment that is critical for keeping families healthy and children safe.

In conclusion, the sector of child welfare continues to advance service improvement as guided by the commission's framework. In partnership with the government, we're implementing new accountability and transparency measures, including performance indicators and accountability agreements. Aboriginal and non-aboriginal agencies have worked for a future where aboriginal children and families are served by members of their own communities. We've got improvements in service models that will help us exercise fiscal responsibility. We are progressing towards large systemic change and embracing it with perseverance, but the change agenda, which requires outcomes and will protect children and youth, requires careful implementation and support and resources from government.

After three years of flatlined budgets, children's aid societies need sufficient resources to build a stronger system. The current funding model needs to provide the resources it promises to CASs identified for funding increases, and agencies that need to decrease their funding need time and transitional resources to do so.

The Ontario Association of Children's Aid Societies asks that government take action to improve the outcomes for children, youth and families and help us create a sustainable system. Thank you very much for this opportunity to address you today on behalf of Ontario's most vulnerable children.

**The Chair (Mr. Kevin Daniel Flynn):** Thank you very much. You've left about three minutes for questions.

Catherine.

**Ms. Catherine Fife:** Thank you very much for the presentation. You've made some very clear asks of us today.

Your first request—to restore funding to the level of 2012-13, recognizing the real cost of protecting children: This is a very powerful statement that you've put in there. If the government, in our next budget, does not increase the level of funding for FN CASs, do you think that we will be putting children at risk? Something has to give in this funding model. Can you comment on that?

**Ms. Mary Ballantyne:** Yes. Certainly the children's aid societies, recognizing the fiscal constraints, have been

working very hard. However, there are agencies, according to a new funding model, that need to decrease their resources. Without the support to be able to do that and the transition time to change their service delivery models to accommodate that, there is concern that those lack of resources, could put children at risk—

**Ms. Catherine Fife:** Okay. Thank you. Kitchener-Waterloo actually came to us and did a very similar presentation because they are one of those agencies that has done everything that they were asked to do. They have tracked it, and their books are open. They spoke highly of the transformation agenda. The government brought in this agenda, with the support of agencies across the province. They would like to be able to fulfill that mandate, but they do not have the funding to do so. Is that a typical experience that you're seeing from across the province?

**Ms. Mary Ballantyne:** Yes, that would be a typical experience. Certainly as the years go by and the costs of caring for children go up and there are no further resources to be able to do that, agencies become more and more compromised in their ability to provide the service.

**Ms. Catherine Fife:** Thank you for that.

Thank you also for bringing the issue of support for aboriginal children and families. It's incredible, but very few people are speaking up for this very vulnerable group of children across the province, so I want to thank you for doing that.

I know that the modernization agenda for agencies across the province has not gone as smoothly as we all would have liked it to. What is the cost across the province—because this is the finance committee—if we were to restore the funding to 2012-13 funding levels? Do you know what the overall budget item would be for the province?

**Ms. Mary Ballantyne:** I believe that it is \$1.464 billion. I can get you the exact number—

**Ms. Catherine Fife:** That's the adjustment, though, right?

**Ms. Mary Ballantyne:** —but it's about a \$30-million adjustment.

**Ms. Catherine Fife:** So for \$30 million—

**The Vice-Chair (Ms. Soo Wong):** Thank you very much.

**Ms. Catherine Fife:** Did the clock go off?

**The Vice-Chair (Ms. Soo Wong):** Yes, it's 2:15.

**Ms. Catherine Fife:** Oh, it did? I didn't hear a clock.

**The Vice-Chair (Ms. Soo Wong):** Okay. Thank you very much to the witnesses. Thank you for your presentation.

**Ms. Catherine Fife:** Thank you.

**Ms. Mary Ballantyne:** Thank you.

ONTARIO ASSOCIATION  
OF NON-PROFIT HOMES  
AND SERVICES FOR SENIORS

**The Vice-Chair (Ms. Soo Wong):** Our last witness is Donna Rubin of the Ontario Association of Non-Profit

Homes and Services for Seniors. Thank you very much, Ms. Rubin. Welcome.

**Ms. Donna Rubin:** Thank you. Who do I give these to?

**The Vice-Chair (Ms. Soo Wong):** Christina, can you pick up the stuff? The staff can circulate that. Thank you.

All right. You can start at any time. You have 15 minutes. I believe that this time around it's the government side asking the questions. Thank you.

**Ms. Donna Rubin:** It's on?

**The Vice-Chair (Ms. Soo Wong):** Yes. You can start.

**Ms. Donna Rubin:** Good afternoon. I'm Donna Rubin, CEO of the Ontario Association of Non-Profit Homes and Services for Seniors. With me this afternoon is Dan Buchanan, who's our director of financial policy. We represent the not-for-profit long-term-care sector, municipal and charitable long-term-care homes and not-for-profit nursing homes. Today we're here speaking specifically about long-term care. In your package is a copy of our full submission, as well as my remarks today.

"Imagine, for just a moment, how it would feel to be elderly and living in a nursing home, terrified of a resident down the hall who suffers from dementia with all of its unpredictable" behaviours. This is the lead-in from an editorial that ran just two weeks ago in a major daily newspaper. It is just one of a number of articles over the last several months that have zeroed in on violent incidents in long-term-care homes.

It's no surprise that this issue is grabbing the public and the media. Keeping people safe is by far the greatest challenge people are facing in long-term-care homes in terms of caring for their residents today, and we need systemic changes that will require funding to deal with this issue.

Here are some statistics: 35% of the 77,000 residents in long-term-care homes have moderate aggressive behaviours, and this population is increasing at a rate of about 4%, or about 1,200 residents per year. An additional 11% of our residents are considered to be severely aggressive. What this means is that in a standard resident home area of 34 beds, three to four of them will have severe levels of aggressive behaviour.

We can't control who comes into our homes; the community care access centre controls admissions. We can't transfer or discharge someone, even if they might be a danger to others, and it's our obligation to support the most challenging of residents using the least amount of restraint possible, whether that's chemical or physical.

For years, we have been signalling that we don't have enough direct-care staff on the floor, and the staff we have are not adequately trained to provide proper care for residents with aggressive and unpredictable behaviours. As a result, we can't guarantee the safety of our residents. If a viable and adequately funded solution is not implemented, we will continue to put residents and staff at risk.

Speaking of risk, there have been 27 long-term-care homicides since 2001, just in Ontario. Every long-term-care administrator knows that this could happen in their home, and they're just glad that it hasn't. Ever since the

coroner's report following a resident's death at the Casa Verde nursing home in 2001, we and many other concerned parties have been calling for specific recommendations to take action in the area of behaviours.

We acknowledge that the provincial government has responded with funding for certain targeted initiatives over the last couple of years—particularly Behavioural Supports Ontario, which is a provincial program for long-term-care homes initiated in 2010. But the government needs to step up its approach in every home if this issue is going to be resolved. We are long overdue for a province-wide, systemic approach for managing behaviours in long-term-care homes. We're recommending an approach that's made up of a minimum of three critical components, and there are more in the package, but the three that I want to address with you today in particular are:

1420

First, we need staffing increases; specifically, in-house behaviour care expertise to support those with dementia and specifically those with moderate behaviours. Our costing model assumes a behaviour therapist for every home, a personal support worker who serves as a behavioural lead for every 200 beds and an additional personal support worker for every 100 beds. We estimate the cost of this measure to be approximately \$92.4 million per year. It's not a small amount; there are 630 homes in the province and 77,000 beds.

Second, we need more designated behavioural units to care for residents with severe aggressive behaviour. Currently, there are about six of these across the province and we recommend that more be added. We don't have a specific costing for this item, as a fulsome analysis is needed to determine the right number, staffing and other details.

Third, all care staff need and deserve improved access to appropriate training and education on a regular and recurring basis. Our estimated annual cost for this is \$15.3 million.

While our focus today is on behaviours, there's no doubt that care levels continue to increase, resulting in a need for an acuity adjustment to ensure that we maintain a level of professional and reliable support for the residents that we have in our homes. We are recommending a modest increase of 1.5% to the care envelopes—just to the care envelopes—which will cost approximately \$27.8 million a year and allow us to not be going backwards.

Excluding specialized units, which I noted need further analysis for a proper costing, our recommendations require an increase of \$135.8 million per year, or \$4.77 per bed per day.

Once implemented, these recommendations will tackle the challenge of aggressive behaviours head-on. The stakes are high, too high to ignore any longer. We're dealing with a very vulnerable population. Residents in Ontario's long-term-care homes deserve to live out their lives with our respect and protection. Without a swift and effective solution, these residents will be increasingly at risk. We ask you to demonstrate to them and their fam-

ilies that we take seriously our collective responsibility to ensure their safety. Thank you very much.

**The Vice-Chair (Ms. Soo Wong):** Thank you very much. I think we have almost six—

*Interjection.*

**The Vice-Chair (Ms. Soo Wong):** Okay, eight to go. Lots of time to ask questions from the government side. So who starts?

**Mr. Steven Del Duca:** I'll start, Soo.

**The Vice-Chair (Ms. Soo Wong):** Mr. Del Duca.

**Mr. Steven Del Duca:** Thanks, Madam Chair.

Thank you very much for being here today and for making the trek to Kingston—actually, from my riding of Vaughan all the way out here, from Woodbridge to here, so that's fantastic.

I had a couple of questions. In looking at the presentation here and listening to what you said, you talk about the incidence of or the prevalence of moderately aggressive behaviour. Is it also severely aggressive behaviours? I'm just curious, in your research and from what you've seen, is there any kind of particular pattern to the geographic distribution of those kinds of behaviours? Do you see this to be more of a GTA issue? Is it more of an urban issue? Just out of curiosity, how does that break out—or is it pretty much that there's no clear pattern?

**Ms. Donna Rubin:** No, we didn't see any pattern in terms of geographic distribution.

**Mr. Steven Del Duca:** Okay. So the overall request for all of your recommendations, according to what you've said and what's here in the presentation, not including the one for which you don't have costing—the specialized units—is \$135.8 million per year. When you take a look at the provincial budget generally speaking, or the Ministry of Health and Long-Term Care budget more specifically, do you have any thoughts, ideas or suggestions for potential offsets? It's not an insignificant ask in a pre-budget consultation, and I understand why. Not to be disrespectful of the ask—I'm just curious to know if you've given thought to monies that are currently allocated for these kinds of services, other areas of the ministry's budget where you think there might be an ability to provide that give-and-take so that the government, in these challenging fiscal times, could perhaps provide some support?

**Ms. Donna Rubin:** We've recommended, more in our submission last year, a very detailed and more complex collapsing of some of the envelopes that we currently have, as well as streamlining of supplemental funding pots so that monies could be redistributed. We think that there are some ways to redistribute funding to provide some of the types of increases, at least perhaps an acuity increase that's in here. We continually raise those issues with the bureaucracy to try and move those along.

**Mr. Steven Del Duca:** Okay, thank you.

**The Vice-Chair (Ms. Soo Wong):** Any more questions? Ms. Hunter?

**Ms. Mitzie Hunter:** Yes, of course. A very interesting presentation, and I look forward to reading the detailed notes that you've prepared and sent in to us.

I'm wondering about the training that you envision for staff that would assist in ensuring that there's safety in the homes for both residents as well as for the staff that are there?

**Ms. Donna Rubin:** We're looking at setting up a small team of people who are especially knowledgeable in the area of behaviours so that if there is somebody acting out, for example, in the home, they can be deployed to go in and meet with them and try to calm them down. They would have insight into different types of dementia. They would be able to, as I say, reduce the agitation, and then the other staff can also learn and take over once that person has been calmed down. These would be behaviour therapists and PSWs who just have more training in this area. As I say, it's about a small team of two or three people that we're looking for.

**Ms. Mitzie Hunter:** Okay. Do you see the need to have that type of training across the board for the staff who are working in the facilities now?

**Ms. Donna Rubin:** Yes. We do believe that staff could be better trained than they are right now. They, perhaps, wouldn't have the same level of expertise but they would get training on a more regular basis—anually is what we'd like to see. It's really quite a specialty, dealing with this population. We're seeing this more and more, and there's more that we're learning about cognition and Alzheimer disease, and I think that's what needs to be imparted with staff.

**Ms. Mitzie Hunter:** In terms of the current reality, are incidents being tracked in ensuring that there is a safety component for staff?

**Ms. Donna Rubin:** Sorry, I'm not sure I understood your question.

**Ms. Mitzie Hunter:** Are incidents being tracked?

**Ms. Donna Rubin:** Oh, absolutely. Every incident has to be reported to the Ministry of Health and Long-Term Care. We're very concerned about the level of violence, not just—obviously we identified the tragic incidents that resulted in deaths, but, on a regular basis, there's violence and aggression. It's part of the disease, unfortunately.

**Ms. Mitzie Hunter:** Thank you.

**The Vice-Chair (Ms. Soo Wong):** Any more questions? All right, thank you very much, Ms. Rubin, for your presentation.

**Ms. Donna Rubin:** Thank you.

**The Vice-Chair (Ms. Soo Wong):** That's it. All right, folks. I think we are done. Thank you very much to all the witnesses for being here today. I think we are on schedule. The meeting will adjourn, and we're back to Toronto. Thank you very much.

*The committee adjourned at 1429.*





**STANDING COMMITTEE ON FINANCE AND ECONOMIC AFFAIRS**

**Chair / Président**

Mr. Kevin Daniel Flynn (Oakville L)

**Vice-Chair / Vice-Présidente**

Ms. Soo Wong (Scarborough–Agincourt L)

Mr. Steven Del Duca (Vaughan L)

Mr. Victor Fedeli (Nipissing PC)

Ms. Catherine Fife (Kitchener–Waterloo ND)

Mr. Kevin Daniel Flynn (Oakville L)

Mr. Douglas C. Holycross (Etobicoke–Lakeshore PC)

Ms. Mitzie Hunter (Scarborough–Guildwood L)

Mr. Monte McNaughton (Lambton–Kent–Middlesex PC)

Mr. Michael Prue (Beaches–East York ND)

Ms. Soo Wong (Scarborough–Agincourt L)

**Substitutions / Membres remplaçants**

Mr. Toby Barrett (Haldimand–Norfolk PC)

Mr. Steve Clark (Leeds–Grenville PC)

Mr. Jim McDonell (Stormont–Dundas–South Glengarry PC)

**Clerk / Greffier**

Mr. Katch Koch

**Staff / Personnel**

Ms. Susan Viets, research officer,

Research Services

## CONTENTS

Thursday 23 January 2014

Pre-budget consultations .....	F-769
Cornwall and District Labour Council .....	F-769
Ms. Elaine MacDonald .....	
Ontario Nurses' Association, Region 2 .....	F-771
Ms. Anne Clark .....	
Ontario Nurses' Association, Local 99 .....	F-774
Ms. Cathryn Hoy .....	
Patrons of Our County Hospital .....	F-776
Ms. Betsy Sinclair .....	
Mr. Dave Gray .....	
Rev. Al Reimers .....	
National Airlines Council of Canada; International Air Transport Association .....	F-778
Mr. Marc-André O'Rourke .....	
Alliance to End Homelessness .....	F-780
Mr. Mike Bulthuis .....	
Kingston Home Builders Association .....	F-783
Mr. Jordan Van Leuken .....	
Spirits Canada .....	F-785
Mr. Jan Westcott .....	
City of Kingston.....	F-788
Mr. Bryan Paterson .....	
Ms. Sandy Berg .....	
Ms. Holly Wilson .....	
Greater Kingston Chamber of Commerce.....	F-790
Mr. Matt Hutcheon .....	
Empire Life Insurance Co.....	F-792
Mr. Les Herr .....	
Council of Academic Hospitals of Ontario .....	F-795
Ms. Karen Michell .....	
Dr. Roger Deeley .....	
Kingston Health Coalition.....	F-797
Ms. Sandra Willard .....	
Mr. Peter Stroud .....	
Ontario Fruit and Vegetable Growers' Association .....	F-800
Mr. Art Smith .....	
Interfaith Social Assistance Reform Coalition.....	F-802
Mr. Jamie Swift .....	
Bishop Michael Oulton .....	
Canadian Renewable Fuels Association.....	F-804
Ms. Deborah Elson .....	
Ontario Association of Children's Aid Societies .....	F-806
Ms. Mary Ballantyne .....	
Ontario Association of Non-Profit Homes and Services for Seniors .....	F-808
Ms. Donna Rubin .....	

F-27



F-27

ISSN 1180-4386

**Legislative Assembly  
of Ontario**

Second Session, 40<sup>th</sup> Parliament

**Official Report  
of Debates  
(Hansard)**

Thursday 27 March 2014

**Standing Committee on  
Finance and Economic Affairs**

Aggregate Recycling  
Promotion Act, 2013

**Assemblée législative  
de l'Ontario**

Deuxième session, 40<sup>e</sup> législature

**Journal  
des débats  
(Hansard)**

Jeudi 27 mars 2014

**Comité permanent des finances  
et des affaires économiques**

Loi de 2013 sur la promotion  
du recyclage des agrégats



Chair: Kevin Daniel Flynn  
Clerk: Katch Koch

Président : Kevin Daniel Flynn  
Greffier : Katch Koch

### **Hansard on the Internet**

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. The address is:

<http://www.ontla.on.ca/>

### **Index inquiries**

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.

### **Le Journal des débats sur Internet**

L'adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance est :

### **Renseignements sur l'index**

Adressez vos questions portant sur des numéros précédents du Journal des débats au personnel de l'index, qui vous fourniront des références aux pages dans l'index cumulatif, en composant le 416-325-7410 ou le 325-3708.



## LEGISLATIVE ASSEMBLY OF ONTARIO

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON  
FINANCE AND ECONOMIC AFFAIRS

Thursday 27 March 2014

COMITÉ PERMANENT DES FINANCES  
ET DES AFFAIRES ÉCONOMIQUES

Jeudi 27 mars 2014

*The committee met at 0901 in committee room 1.*

## SUBCOMMITTEE REPORTS

**The Vice-Chair (Ms. Soo Wong):** We're going to commence the Standing Committee on Finance and Economic Affairs with Bill 56, An Act to prohibit certain restrictions on the use of aggregates in performing public sector construction work.

I believe that we have two subcommittee reports. Ms. Jones, you're going to do the report on Bill 56.

**Ms. Sylvia Jones:** Thank you, Chair. Your subcommittee on committee business met on Thursday, March 20, 2014, to consider the method of proceeding on Bill 56, An Act to prohibit certain restrictions on the use of aggregates in performing public sector construction work, and recommends the following:

(1) That the committee meets in Toronto on Thursday, March 27, 2014, for the purpose of holding public hearings.

(2) That the Clerk of the Committee post information regarding public hearings on Bill 56 on the Ontario parliamentary channel, the Legislative Assembly's website and on Canada NewsWire.

(3) That the deadline for requests to appear be 5:00 p.m. on Tuesday, March 25, 2014.

(4) That witnesses be scheduled on a first-come, first-served basis.

(5) That all witnesses be offered 10 minutes and that questioning, should there be any time remaining following the presentation, be done on a rotational basis by caucus.

(6) That the deadline for written submissions on Bill 56 be 5 p.m. on Thursday, March 27, 2014.

(7) That a copy of the report on the review of the Aggregate Resources Act of the Standing Committee on General Government be provided to the committee.

(8) That a summary of the testimonies be provided by the research officer to the committee by Tuesday, April 1, 2014.

(9) That amendments to Bill 56 be filed with the Clerk of the Committee by 5 p.m. on Wednesday, April 2, 2014.

(10) That the committee meet for clause-by-clause consideration of Bill 56 on Thursday, April 3, 2014.

(11) That the Clerk of the Committee, in consultation with the Chair, be authorized prior to the adoption of the

report of the subcommittee to commence making any preliminary arrangements necessary to facilitate the committee's proceedings.

**The Vice-Chair (Ms. Soo Wong):** Thank you, Ms. Jones. Is there any discussion on the subcommittee report? Seeing none, I'm going to call the question.

All those in favour? Opposed? Carried. Thank you very much, Ms. Jones.

We have a subcommittee report on Bill 20. Mr. Prue?

**Mr. Michael Prue:** Thank you so much. Your subcommittee on committee business met on Thursday, March 20, 2014, to consider the method of proceeding on Bill 20, An Act respecting the City of Toronto and the Ontario Municipal Board, and recommends the following:

(1) That the committee meets in Toronto on Thursday, April 10, 2014, for the purpose of holding public hearings.

(2) That the Clerk of the Committee post information regarding public hearings on Bill 20 for one day in the Toronto Star, on the Ontario parliamentary channel, the Legislative Assembly's website and on Canada NewsWire.

(3) That the deadline for requests to appear be 5:00 p.m. on Monday, April 7, 2014.

(4) That the Clerk provide a list of all interested presenters to the subcommittee following the deadline for requests.

(5) That the Clerk be authorized to schedule the witnesses if everyone can be accommodated following the deadline and if all requests cannot be accommodated, each caucus is to provide their selections of witnesses based on the list of interested presenters received from the Clerk by 5:00 p.m. on Tuesday, April 8, 2014.

(6) That all witnesses be offered 15 minutes and that questioning, should there be any time remaining following the presentation, be done on a rotational basis by caucus.

(7) That the deadline for written submissions on Bill 20 be 5:00 p.m. on Thursday, April 10, 2014.

(8) That a summary of the testimonies be provided by the research officer to the committee by Tuesday, April 15, 2014.

(9) That amendments to Bill 20 be filed with the Clerk of the committee by 5 p.m. on Wednesday, April 16, 2014.

(10) That the committee meet for clause-by-clause consideration of Bill 20 on Thursday, April 17, 2014.

(11) That the Clerk of the committee, in consultation with the Chair, be authorized prior to the adoption of the report of the subcommittee to commence making any preliminary arrangements necessary to facilitate the committee's proceedings.

**The Vice-Chair (Ms. Soo Wong):** Okay. Do we have any discussion on the subcommittee report? Mr. Prue?

**Mr. Michael Prue:** Yes, I would like to move a very small amendment to item number 2 on the standing committee report. I would move that section 2 of the subcommittee report on Bill 20 be amended by adding "and l'Express" immediately after "the Toronto Star."

**The Vice-Chair (Ms. Soo Wong):** Okay. Is there any discussion on the amendment? Seeing none, can I call the question?

All those in favour? Opposed? Carried.

Can I have a vote on the amended motion to the subcommittee report?

All those in favour? Opposed? Carried.

Thank you very much, Mr. Prue.

We are a little ahead of schedule, so maybe we can get on the business of the committee's witnesses.

#### AGGREGATE RECYCLING PROMOTION ACT, 2014

#### LOI DE 2014 SUR LA PROMOTION DU RECYCLAGE DES AGRÉGATS

Consideration of the following bill:

Bill 56, An Act to prohibit certain restrictions on the use of aggregates in performing public sector construction work / Projet de loi 56, Loi interdisant certaines restrictions frappant l'utilisation d'agrégats lors de la réalisation de travaux de construction pour le secteur public.

#### AGGREGATE RECYCLING ONTARIO

**The Vice-Chair (Ms. Soo Wong):** Our first witness this morning is Aggregate Recycling Ontario, Mr. Brian Messerschmidt, executive director. I just want to review the timeline, sir. As you heard from our subcommittee report, you have 10 minutes for your presentation. With any time left on the 10 minutes, the first round of questions will come from the opposition party. I'm just waiting for the Clerk to hand out your presentation before we start.

Okay, you can commence. Welcome.

**Mr. Brian Messerschmidt:** Thank you. Good morning, my name is Brian Messerschmidt. I am the executive director of Aggregate Recycling Ontario, or ARO, an organization comprised of eight industry associations and 19 individual companies. Most of our member companies are producers of primary aggregates from pits and quarries and all member companies also recover and recycle used aggregate, generally in the form of reclaimed concrete and reclaimed asphalt, and build Ontario's roads,

highways, transit, sewers and water mains and other public infrastructure.

Representing a broad cross-section of the aggregates and infrastructure construction industry, ARO was created for the express purpose of breaking down the barriers to the use of recycled aggregates in projects where they are entirely appropriate. One thing I think we can all agree upon: recycling is the right thing to do. For every tonne of recycled aggregate used, one less tonne of primary aggregate is required from pits and quarries. The recent review of the Aggregate Resources Act by the Standing Committee on General Government brought this home. Nine of 38 recommendations were with respect to recycling, including a recommendation to support Bill 56.

Many organizations, including municipalities, have developed sustainability strategies, adopting a need to conduct themselves in a green manner, but not many go beyond water and energy conservation efforts and the seeking of LEED building certification. Sustainability includes sustainable management of material resources—what a growing number of experts are calling the circular economy.

0910

Today's stockpiles of used aggregates are reminiscent of the early days of newspaper recycling and the introduction of the blue box. Once accepted as suitable, paper recycling quickly became standard practice. It took proactive government procurement policies to turn the corner.

Many of you have seen the huge mountains stockpiled in yards across the GTA and elsewhere. There are millions of tonnes available for use in construction that meet the required specifications, but are excluded from many public projects. These stockpiles are often located closer to market than primary sources and, when used, lessen truck traffic, reduce greenhouse gas emissions and conserve the resources available in pits and quarries.

These advantages are recognized by some. The Ontario Ministry of Transportation and some municipalities routinely allow and use recycled aggregates with a tremendous history of success. Recycled aggregates support sections of the provincial 400 series highways, the Don Valley Parkway and numerous arterial roads in the GTA and elsewhere.

Bill 56 goes a long way in pushing this agenda, and we commend Sylvia Jones and the many MPPs from all three parties who have supported this bill along the way.

Something I would like committee members to keep in mind as you listen to presentations today is that aggregates are generally used in three main products: as a granular product to form a base for construction; as the major constituent in concrete—normally more than 85% is aggregate; and as the major constituent in asphalt—normally more than 90% of that is aggregate.

Recycled aggregate can replace primary aggregate in all three products and is well established in Ontario in granular and asphalt products. I would also like you to think in terms of the recycled aggregate supply chain; that is, from the generation of materials suitable for

recycling to the processing of recycled aggregates to the consumption of recycled aggregates.

In this context I would like to discuss Bill 56 within a suite of at least five policy tools that are available to promote greater use of recycled aggregate in Ontario. Some tools are more suited to government to implement and some are more suited to producers and consumers of recycled aggregate to take the lead. A range of policy tools is necessary, and Bill 56 is complementary to the other tools.

The first is land use planning policy. The government is to be commended on the recent release of the PPS 2014. The provincial policy statement has recognized the importance of planning for recycling facilities within pits and quarries. Municipalities should also be encouraged to plan for stand-alone recycling facilities in urban and near-urban industrial zones.

The second policy tool is aggregate specifications. Ontario is fortunate to have an organization called Ontario Provincial Standards for Roads and Public Works, or OPS for short. It is jointly owned by the Ministry of Transportation and the Municipal Engineers Association. Many other organizations contribute to its success. A number of standard specifications address the engineering requirements of aggregates, including recycled aggregates. Of note is a specification referred to as OPSS 1010. This specification allows for 100% replacement of primary aggregate with a combination of up to 100% reclaimed concrete and/or up to 30% reclaimed asphalt in what are called granular A and granular B type I products. ARO has committed to collaborating with the Municipal Engineers Association and MTO to address additional opportunities for the use of recycled aggregate and in addressing any quality concerns that municipal engineers may have.

Also of note is a specification for the use of aggregate in asphalt pavements. The specification allows for the use of up to 15% RAP, or reclaimed asphalt pavement, in the surface course of a road pavement structure and as high as 50% in the lower base course pavement.

What has become evident is that many municipalities don't outright prohibit the use of RAP, but dabble with much lower percentages than the standard provincial specifications allow. It should be noted that use of these specifications is voluntary and many municipalities commonly amend specifications to suit their own needs and, unfortunately, sometimes biases.

On a positive note, there are many good examples where municipalities are prepared to consider going above and beyond the norm. For example, the city of Ottawa accepts reclaimed concrete into a product called granular B type II, which normally is restricted to crushed quarry rock. The city of Mississauga experimented in 2013 with the use of recycled aggregate in new concrete for a sidewalk project.

The third policy tool is best practices guidance. As an industry, we recognize that there have been examples where inferior recycled aggregates were used or brought to a job site. We recognize that oversight, attention to detail and quality of product are responsibilities that must

be taken seriously if we are to be effective stewards of this valuable resource. To that end our members are committed to quality controls, and ARO supports sanctions against those that fail to produce a product that meets the specifications for any job—sanctions that are already provided for in OPS standards. ARO members have produced a best practices guide, and we are currently updating it with a strengthened version—version 2—that is designed to enhance quality controls at recycling facilities.

The fourth policy tool is certification of recycling facilities. A number of municipalities have expressed support for a certification system to provide increased confidence in recycled products. ARO is currently examining those options.

The fifth and final policy tool is legislation and regulations. As in most legislation, the core principles are established in an act, with details provided in regulation. Bill 56 indeed establishes a principle of open and fair consideration of recycled aggregate. I believe this must be read within the context of detailed limitations already found within OPS standard specifications.

If there are reservations expressed today about Bill 56, it is ARO's contention that the bill should be supported and that specific concerns can and should be dealt with in regulation or in the OPS standard specifications. You may also question whether a separate bill is the place to consider recycled aggregate as opposed to the Aggregate Resources Act. ARO considers that the Aggregate Resources Act was designed to deal with the supply or production side of aggregates, whereas Bill 56 deals with the demand or consumption side. Bill 56 is the appropriate approach, and not just on an interim basis, as recommended by the Standing Committee on General Government. Thank you.

**The Vice-Chair (Ms. Soo Wong):** Thank you very much for your presentation. We have one minute for the opposition to ask the witness questions.

**Ms. Sylvia Jones:** All right. I will be brief. Do you have any specific recommendations for amendments that would need to be included in Bill 56?

**Mr. Brian Messerschmidt:** It is a short and sweet piece of legislation. If there is an area that could be enhanced, it might be on the question of enforceability: Would there be a need to develop enforcement provisions within the act, or could that be dealt with in the regulations themselves?

**Ms. Sylvia Jones:** Thank you.

**The Vice-Chair (Ms. Soo Wong):** Thank you very much. Thank you for your presentation. Ms. Jones, you could have another 30 seconds if you want.

**Ms. Sylvia Jones:** I'm good. Thanks for coming in.

**The Vice-Chair (Ms. Soo Wong):** That's great. Thank you very much for your presentation, sir.

#### ONTARIO STONE, SAND AND GRAVEL ASSOCIATION

**The Vice-Chair (Ms. Soo Wong):** Our next witness is from the Ontario Stone, Sand and Gravel Association:

Moreen Miller, the chief executive officer. Welcome. You have 10 minutes for your presentation, Ms. Miller. I look forward to hearing your presentation.

**Ms. Moreen Miller:** Good morning. Thank you for the opportunity to address the committee today with regard to Bill 56, the Aggregate Recycling Promotion Act.

My name is Moreen Miller. I am the president and CEO of the Ontario Stone, Sand and Gravel Association. Our association is a founding member of Aggregate Recycling Ontario, and I am the previous executive director of that group. You have just heard from ARO and now understand the important work that organization is doing on behalf of Ontarians to manage Ontario's non-renewable resources.

I am here today representing the OSSGA but I also bring support from member associations of Infrastructure Alliance, a group of five associations whose members build most of Ontario's infrastructure. Support for Bill 56 has been given by the Infrastructure Alliance members: the Ontario Road Builders' Association, the Ontario Hot Mix Producers Association, the Ready Mixed Concrete Association of Ontario, the Ontario Good Roads Association and the Ontario Stone, Sand and Gravel Association.

Bill 56 is supported by our industry as part of developing a robust, environmentally sound and economically viable aggregate recycling industry in Ontario. It does that by being an integral part in developing this industry.

Three key sectors play three key roles. The province plays a key role in the development of this industry both in the development of provincial regulations and legislation, but also as a role model of how to incorporate aggregate recycling as a mainstream infrastructure activity.

0920

The development of strong provincial legislation is imperative to engage all levels of government and industry in new recycling strategies. Until last month, Ontario's provincial policy statement did not even contain the words "aggregate recycling." The province's recent amendments to the PPS now articulate that aggregate recycling is becoming a key component to managing Ontario's non-renewable aggregate resources. Similarly, Bill 56 contains strategies for encouragement of integrating recycled aggregates where possible in infrastructure projects. This represents provincial leadership to make Ontario more sustainable.

While legislative proposals like Bill 56 will create a leadership role for the provincial government in encouraging recycling, the province itself holds the best example of practising what it is preaching. Ontario's Ministry of Transportation has led the way for decades in the use of recycled aggregates in its infrastructure projects. For over a decade, MTO has had an annual usage of approximately 2.2 million tonnes of reclaimed materials in its projects. If you drove here today, I am very sure that you drove on roads that contain recycled aggregates.

The province's role to both lead by example and provide a sound regulatory structure are very clear on this issue, and Bill 56 speaks to both.

Municipalities in Ontario also play a key role in implementing a strong and viable aggregate recycling sector. Their role is similar to the province's in that they must also regulate and use recycled aggregates to ensure that we're managing our resources wisely. However, research into this completed by ARO has revealed that most municipalities are lagging far behind the province and the private sector on the use of recycled aggregate products and developing a strong policy framework.

Asphalt pavement, which is 95% by volume made up of aggregate, is the most recycled product in North America, and yet some Ontario municipalities still refuse to use it in their paving contracts. There are millions of tonnes of concrete and asphalt salvaged from roads and sidewalks stockpiled in yards around the province just waiting to be recycled, yet there are still some municipalities that will not accept these materials for roads or engineered backfill. Recycling asphalt pavement and concrete aggregate may not be trendy or flashy, but it is one of the easiest and most effective ways to preserve our non-renewable resources, save on transportation costs, reduce greenhouse gas emissions and save taxpayers money.

Municipalities need to know that they're not breaking new ground through Bill 56. We have to acknowledge many municipalities, such as the city of Toronto, that have undertaken a leadership role and, by their example, shown that using recycled aggregate is not only the right thing to do environmentally; it's also the right thing to do technically and economically. To those municipalities that are wavering, Bill 56 is encouragement for them to explore that, turn for turn, lane for lane, traffic load to traffic load, roads built with recycled aggregates are every bit the equivalent to any other road in the province.

Municipal policies need to be developed that allow aggregate recycling to become a more accepted part of infrastructure development. Bill 56 speaks to this by not allowing tenders to be rejected due to the inclusion of recycled aggregate products.

The technical requirements for recycled aggregate, based on equivalence to virgin aggregates, are already reflected in standard specifications that you heard ARO speak of just before me. Municipalities need to develop a framework to depend on these specifications and ask materials in infrastructure projects to meet them. Municipalities also need to adopt a stringent quality and performance testing program to ensure that all of their infrastructure products meet the same high standards. This has already been done by MTO, and it has served provincial infrastructure projects well.

It would be our goal that, sometime in the very near future, municipalities will be tendering jobs and every tender they receive would have a recycled component. Rejecting bids that contain recycled products would not then be an issue. Bill 56 can help achieve this more proactively.

Municipalities and public sector agencies considering using recycled products as outlined in Bill 56 also need confidence in the science of how the product will per-

form. This means that industry has to play the third key role. We need to ensure that the recycled products meet or exceed the very same specifications as primary aggregates, which means we have to continue to raise our level of technical proficiency.

Many municipal officials, thank goodness, have an aversion to risk. They are understandably concerned that if infrastructure constructed with recycled aggregates fails, they will have to answer to taxpayers. As an industry, we understand this and are ready to ensure that our products meet the required specifications.

We are ready to work with municipalities to develop high-quality materials through acceptable testing methods and a process in which they have confidence. We understand that we have to prove over and over again that recycled aggregate, properly processed in accordance with best practices, is the equivalent of virgin material. Bill 56 encourages us as an industry to continue to raise our standards and produce products that meet rigorous testing.

There's a fine line between supporting and challenging government on environmental issues. Industry acknowledges the leadership role that municipalities and public sector agencies have undertaken in promoting green initiatives while constructively challenging them to do more. This is what Bill 56 seeks to accomplish.

Chair and members of committee, industry supports Bill 56 in its intent and implementation, and we ask you to support this bill also. This will give us the opportunity to show you that industry has the science, the business model and the consensus for action and responsibility they can count on to build Ontario's aggregate recycling industry. Thank you for your time today.

**The Vice-Chair (Ms. Soo Wong):** Thank you very much, Ms. Miller. This round of questions is from the NDP. You have three minutes. Ms. Fife.

**Ms. Catherine Fife:** Thanks for the presentation, Ms. Miller. I think you've actually highlighted one of the biggest challenges: The government has to be involved and receptive to legislation that they're passing around Bill 56, and that also means accepting tenders, taking a leadership role in supporting the sort of circular economy the previous speaker spoke of.

I guess my question really comes down to enforcement, because you can have a good piece of legislation, but if it doesn't have the teeth to make sure that the government—whichever government it is—practises what it preaches, how successful can this legislation be?

Can you speak a little bit to enforcement?

**Ms. Moreen Miller:** Yes. I think that we're very, very close on every front—regional, municipal and provincial governments—to having everyone take the next step to accepting recycled aggregates as a part of our business going forward. I believe Bill 56 will allow that gentle nudge in the right direction.

One of the challenges we have is that in many parts of the province we have lots of recycled product ready to go; in other spots we have none. So the ability to hard-define, if you will, or to clearly define that they will use

it would be very difficult—and we'll continue to do that. You can imagine that for a project in Sault Ste. Marie, there might not be a ready source of recycled products because the building sector and development might not move as quickly there.

I think that enforcement, to be frank with you, will take care of itself once we build the confidence in the system and we all work together.

**Ms. Catherine Fife:** Okay. Thank you.

**The Vice-Chair (Ms. Soo Wong):** You've got one more minute. Any more questions?

**Ms. Catherine Fife:** No, we're good.

**The Vice-Chair (Ms. Soo Wong):** That's great. Thank you very much, Ms. Miller.

**Ms. Moreen Miller:** Thank you.

#### OXFORD COALITION FOR SOCIAL JUSTICE

**The Vice-Chair (Ms. Soo Wong):** Our next witness is from the Oxford Coalition for Social Justice: Mr. Bryan Smith, the chair. Mr. Smith, you have 10 minutes for your presentation. This round of questions will be coming from the government. Welcome.

**Mr. Bryan Smith:** Thank you very much.

On behalf of the Oxford Coalition for Social Justice, thanks very much for hearing me today. The promotion of recycling is a laudable goal. The reduction in the use of virgin aggregate is valuable to Ontario's financial and economic affairs because it will allow prime agricultural lands to be used for food production. The Oxford Coalition for Social Justice thanks the standing committee for allowing me to sit here.

The Oxford Coalition for Social Justice is a group that does several things. I've listed them on that first page and included an image, and I'll refer briefly to it. Yes, we are tree-huggers, but we are also a group of people who do a lot of research and a lot of education around numerous issues, including social justice issues, global issues and the issues of aggregate in this case.

I'll take you to the second page. I thought I should know what "recycled aggregate" means, and I thank Ms. Jones for pointing us to the Aggregate Resources Act, about the definition of it. It is sand, gravel, clay, earth and bedrock; I think we're sitting on some of it. It is, according to Bill 56, to be sourced from construction work, which means that it would include things like buildings, structures, roads, sewers, water/gas mains, pipelines, bridges, tunnels, canals and other works that are demolished. Demolition is one of the areas that this bill, we think, might better circumscribe, because demolition waste contains high quantities of heavy metals; I cite Dr. Ric Holt of the University of Waterloo.

In asterisks, I put three heavy metals I was aware of and that I thought you would know quite well, and then I did some research on thallium and vanadium. Thallium, which is used in the manufacture of glass, which is an aggregate, affects the nervous system, lungs, heart and liver and, quoting MedicineNet, "It has caused death."

Vanadium is known to interfere with our white blood cell count, which is necessary in terms of resistance to diseases. At 1.8 milligrams it is toxic, which I think means it causes death.

Recycled aggregate could potentially be hazardous in and of itself. Therefore, we suggest that we need to circumscribe our definitions of "aggregate" more carefully. Recycled aggregate from demolition will, by nature, be mixed, and so it will be very difficult to know its composition and thus the hazards involved in every case.

I picked up some asphalt instances. Those are all news references there as well. The top five all relate to chemical spills related to formaldehyde gas and oil going into road surfaces which, if recycled, then means you're putting those back into the system. The last one is a sewage truck spilling in London, Ontario, a place I have some affection for, although it's downstream from me.

0930

Precaution would be a good thing in the handling and use of these materials since their entry into human and other natural bodies would have huge costs to our health system and we hope they wouldn't need to concern it. I'm quoting a fellow rural resident who says this bill "wants to open the barn door without the fences built."

Where should aggregate recycling happen and where not—which is page 4? As currently written, Bill 56 contains not enough consideration about where the demolition debris, construction waste and road bed materials should be reprocessed to ensure the health of the residents and the environment. I quote Cheryl Connors, who's a Canadian respiratory health expert who "raises concerns over the threat to human health posed by inappropriate siting." She talks about "dust, fine particulate matter," those things that are below 10 microns in size that get in your lungs and create what coal miners call black lung disease or silicosis. Diesel emissions and airborne silica are also issues as well.

The MOE already has criteria for dust which point to its concern with it, although there is a genuine lack of enforcement by the MOE on those requirements.

Specific requirements about containment in industrial buildings would be a wonderful addition to this bill. Their venting locations need to be part of this bill as precautions. I would suggest that, in addition, the creation and refurbishing of existing buildings to meet the necessary standards for filtering and containment would be a valuable economic activity in itself. It might use some aggregate in the process of building and would be an investment in infrastructure.

Industrial sites also offer the advantage of allowing materials for reprocessing to be sorted, selected and blended to suit the requirements of specific jobs. The people who have testified here before me probably know better than I the nature of all those different kinds of aggregate that are there and in fact that there are multiple kinds of asphalt that contain multiple things beyond aggregate and bitumen.

Where it should not be used—I'm on the next page. Because storing and processing of demolition waste for recycling involves a high risk of releasing heavy metals,

fly ash, oil products, fibre content, spills, asbestos, paint and coatings and biological content, these should not be in the open air, nor should they be in proximity to ground or surface water. Noise from the process also suggests that setbacks might need to be considered.

The Environmental Protection Act, under section 6, states that "No person shall discharge into the natural environment any contaminant ...." and you probably know the rest of the bill by heart. It says that a "contaminant" is defined as "any solid, liquid, gas, odour, heat, sound, vibration, radiation or combination of any of them resulting directly or indirectly from human activities." I'd suggest to you that the recycling of aggregate involves all of those, and if you want more on the radiation, we'll see if we have time at the end.

I'll jump paragraphs. The aggregate industry in Ontario owns a significant number of active and inactive pits and there are some abandoned quarries around as well. To move a permanent industrial use into interim short-term extraction sites is to violate agreements with the communities in which they're situated. Site plans for aggregate extraction require their rehabilitation to previous use or congruent uses. If you live in farm country, you expect that next to agricultural land. You might have recreational land which would restore the water table, but you may not have industrial things happening next door which have negative impacts.

Communities count on the return of that space to maintain food production and provide green space for those who live in close proximity to each other due to population growth and urban densification. In addition to the major health risks associated with industrial use of spaces with no ability to scrub the air or protect the water, there's a covenant here to be practised.

Groundwater issues are a major concern in the establishment of pits and quarries. In Oxford county, agriculture is \$640 million a year and we would not like to see that risked.

I'll go to the danger of counter-productivity on the next page. Bill 56 claims to remove barriers, but it does put some barriers in place for local decisions in specifying the kind of aggregate that must be used and it makes it more difficult for municipalities to sustain those local industries that in a full costing analysis are actually sustaining the communities in a multitude of ways and maybe outweigh lowest-bidder considerations.

When demolition occurs in large urban centres, then I do agree with the previous people who suggested that maybe that should be reprocessed in those urban centres as well because the haulage of it is additional cost and additional pollution as well.

My trip here was not by road; it was by train, but I'm aware that in proximity to the QEW there's much more demolition going on than there is on County Road 6 near where I live.

The intent of the bill is that the "government of Ontario and the broader public sector, including government-funded institutions, will conduct business in a sustainable way"—wonderful—"that is both operationally and economically viable."

The government of Ontario and the broader public sector purchases 60% of that aggregate, which means that the levy on the aggregate would be paid multiple times that you're recycling it in. I wonder about the economics on that.

I'm going to go to the last page because I just got the glance that tells me I'm close to the end of my time.

What kind of precautions should we practice? "Recycling of aggregate materials can be a good thing," says Dr. Ric Holt, who I quoted earlier. "Recycling is an important part of conserving resources." However, he adds that "how and where you do the recycling" is vital to the economic, financial, environmental and medical health of Ontario and its residents. He says that the term "recycling" is a Trojan horse. Indeed, without precautions, the practice of unsafe reprocessing of demolition waste into aggregate could be very counterproductive.

The Oxford Coalition for Social Justice makes several outrageous requests: One, that Bill 56 be thoroughly revised to include far more protection and far less risk of injury. Further, we request that these hearings, which are wonderful and are here in a lovely room, be offered in other settings to make commentary easier and perhaps more economical for people living in far-out parts of the province.

Finally I'd like to say that recycling is a sexy idea, but like all sexy things it should be done with protection even if the participants are eager.

**The Vice-Chair (Ms. Soo Wong):** Thank you very much, Mr. Smith. We have one minute for the government side to ask a question. Mrs. Albanese?

**Mrs. Laura Albanese:** Well, in one minute—that's really not a lot of time. I want to thank you, first of all, for coming all the way on the train here to present to us today. We do appreciate you coming in person and also delineating your concerns. We will read this much more carefully. You give good ideas on how to make this operation more clean and safe, because I believe that's your intent.

I don't know if there is any last word you want to say to the committee in maybe 30 or 20 seconds. Please go ahead.

**Mr. Bryan Smith:** I would just comment that we really like the notion of recycling. We are tree-huggers. We believe that the environment should be protected. We really hope that the intent of this bill can go forward in ways that are productive and that there's no room for counterproductive activities in it. We just thought that it might be useful to this committee to hear some concerns around that.

Thank you all very much for hearing me. Thank you very much for your commentary.

**The Vice-Chair (Ms. Soo Wong):** Thank you, Mr. Smith, for coming to the committee.

#### PITSENSE NIAGARA ESCARPMENT GROUP INC.

**The Vice-Chair (Ms. Soo Wong):** Our next witness is from PitSense Niagara Escarpment Group Inc., Mr.

Robert Shapton. Good morning and welcome. You have 10 minutes for your presentation. This round of questions is to the opposition party. Thank you, and welcome.

**Mr. Robert Shapton:** Good morning, Madam Chair and committee members. Thank you for the opportunity to make a submission today about Bill 56.

The group I represent was formed four years ago out of a growing concern for the adverse impacts caused by open-pit mining on the Niagara Escarpment. We soon discovered that our concerns are widely shared by many similar groups across Ontario.

I want to begin by stating that we clearly understand and welcome the intent of Bill 56 to encourage and enable increased utilization of recycled materials. Those intentions, however, when implemented, will have consequences that have not been adequately considered in Bill 56. Increased use of recycled materials will require increased processing of source materials, primarily demolition debris, construction waste and asphalt.

The question that concerns us most and is unaddressed in Bill 56 is where and by what means the reprocessing of this debris should occur. Under current legislation and regulation, an operation that undertakes to extract recyclable aggregate material from waste and debris—by crushing, grinding, sorting, washing etc.—would be designated as a class 3 industrial operation. It would be subject to MOE guidelines regarding suitability of location and separation distance from sensitive land uses.

However, while mining of virgin aggregate is a class 3 industrial activity, it is exempt from MOE guidelines because the extraction must occur where the aggregate deposits are found. That is not the case with the reprocessing of demolition debris, which may and, we suggest, must occur in carefully selected locations that will minimize the risks that come with processing material containing toxic components. This reprocessing should be done in proper recycling facilities where adequate and consistent safeguards and MOE oversight can occur.

0940

Our specific concerns are:

One, proximity of pits and quarries to aquifers and sensitive land uses: A large percentage of Ontario's pits and quarries are close to sensitive land uses, such as residential communities. They frequently occur below the water table or very close to it. Even without adding reprocessing facilities, there are significant risks to aquifers through leaching and surface contamination, and to air quality by wind dispersion of microscopic particulates. The importation of additional debris that contains components that are toxic will substantially increase these risks.

Two, toxic components of imported debris: Even if so-called pure concrete and pure asphalt were the only materials to be imported and reprocessed, such materials cannot be considered pure. Even if we disregard the presence of chemically coated rebar in virtually all concrete, the chemical composition of concrete includes many foreign ingredients, which are listed in the end notes of the presentation you have before you.

These contaminants are not native to pit and quarry sites and thus would be foreign to the local aquifer and airshed. Please consider the photos in the paper before you; it doesn't take much imagination to realize the perils that exist. When this debris is reprocessed to extract recyclable aggregates, you get dust and fine particulates dispersed into the air and leached into aquifers below. These are consequences that go hand-in-hand with promoting the increased use of recycled materials in Bill 56.

Unfortunately, concrete is not the only material of concern. There are many others, such as fly ash, which is listed as a material that may be imported into a pit or quarry for recycling purposes, but is not listed as an aggregate material in the MNR guidelines. Fine crystalline silica present in fly ash has been linked with lung damage, in particular silicosis.

Next, I want to talk about the genesis of Bill 56. As early as December 15, 2011, the intentions of the aggregate industry became apparent. An Aggregate Recycling Ontario news release stated, "Member companies would like to expand opportunities for recycling aggregates by permitting more recycling facilities, especially in pits and quarries where companies can better utilize mined primary aggregates by mixing them with reprocessed material."

An article entitled The Last Word, authored by Moreen Miller, president of Ontario Stone, Sand and Gravel Association, stated:

"Aggregate recycling should be considered a mainstream activity in every licensed pit and quarry. The technical requirements for a recycled aggregate ... should be in all provincial and municipal specifications. There should also be a firm policy that municipalities must allow aggregate recycling within their jurisdiction (a number of municipalities' land use regulations explicitly ban recycling facilities, effectively blocking the use of recycled materials). In order to use recycled materials, industry needs the space to process them as well."

It can hardly be a coincidence that the above clauses bear a close resemblance to what has appeared in Bill 56. Information releases about Bill 56 occurred at almost exactly the same time as OSSGA and ARO issued their releases, on September 26 and 27, 2013.

The impression is that Bill 56 is intended to further the goals of the aggregate industry. However, there is a crucial difference between industry efforts and Bill 56. Moreen Miller clearly links "provincial and municipal specifications" with the location of facilities. Then she incredibly claims that if municipalities "ban recycling facilities," they would be "effectively blocking the use of recycled materials."

Bill 56, on the other hand, avoids mention of suitable locations for reprocessing. We believe that these two aspects—location of reprocessing sites and increased usage—are closely related, and both should be dealt with in Bill 56. However, we disagree with the claims of ARO and OSSGA regarding the need for doing the reprocessing within pits and quarries. Increased usage does not depend upon locating facilities within pits and quarries;

rather, reprocessing should occur in dedicated and appropriately sited facilities.

Next, state-of-the-art processing of demolition debris: Industry positions revealed in the foregoing section are not supported by any technical, economic, environmental or sociological studies that we are aware of that would suggest pits and quarries as suitable locations for the reprocessing of demolition debris. Groups like ours have put forward examples of current best practices for this sort of activity, two of which are outlined in the position paper attached to our submission. We also draw attention to serious environmental and human health risks.

In summary, we assert that the declared intent of Bill 56 is commendable on the surface. However, the less obvious intent to enable the conversion of pits and quarries into industrial construction and demolition waste processing sites must be thoroughly investigated and, ultimately, opposed.

We firmly believe the consequences of proceeding with Bill 56, as it stands, without due consideration and rectification of the concerns presented here, would be dangerous folly. Thank you very much.

**The Vice-Chair (Ms. Soo Wong):** Thank you very much for your presentation. We have three minutes for Ms. Jones to ask you some questions.

**Ms. Sylvia Jones:** Thanks for your deputation, Bob. A couple of points of clarification: First of all, I introduced Bill 56 on Earth Day, so your suggestion—

**Mr. Robert Shapton:** I'm having trouble hearing you; I'm sorry.

**Ms. Sylvia Jones:** Your suggestion that, in some way, the Ontario Stone, Sand and Gravel Association, or ARO, were behind it is, quite frankly, something I find pretty offensive. I actually do a lot of reading—I do a lot of research—in my role as the MPP for Dufferin–Caledon, and I can assure you that Bill 56 and the idea behind it were mine and mine alone.

You make reference on page—when it talks about the genesis of Bill 56, where you say, "a number of municipalities' land use regulations explicitly ban recycling facilities, effectively blocking the use of recycled materials."

**Mr. Robert Shapton:** I don't say that. That is a quote from—

**Ms. Sylvia Jones:** In your presentation, you make reference to the fact—which is accurate. Where recycling occurs is actually a land-use issue that the municipalities make decisions on and incorporate into their planning decisions. So the suggestion that Bill 56 in some way is going to open up and allow recycling processing in 444 municipalities across Ontario is not accurate, and I want to have you understand that Bill 56 is not talking about the planning and the zoning process, which every recycling processor and aggregate producer has to go through.

**Mr. Robert Shapton:** I do understand that.

**Ms. Sylvia Jones:** Okay, so why are you suggesting that Bill 56 is going to allow it in every municipality?

**Mr. Robert Shapton:** I'm suggesting that Bill 56 should address that issue, not that it does.

**Ms. Sylvia Jones:** But Bill 56 is about the bidding and the tendering process. It's not about the processing—the land use.

**Mr. Robert Shapton:** I understand that.

**Ms. Sylvia Jones:** So are you suggesting that it has to be a wider—

**Mr. Robert Shapton:** And that seems to be an omission from the bill. It's a lack.

**Ms. Sylvia Jones:** But when we encouraged recycling of other products in Ontario—I'll pick on paper, because it's a relatively easy one. When the province of Ontario started using more recycled paper in their procurement process, there was no legislation that talked about who would do the reprocessing of the paper, who would do the manufacturing of it. I think they are two very separate processes. One is about encouraging municipalities and educating them on the use of it; the other is the manufacturing and processing.

**Mr. Robert Shapton:** I agree, but the—

**The Vice-Chair (Ms. Soo Wong):** It's 9:48. Sorry. Just finish the question. Do you want to answer this question for Ms. Jones?

**Mr. Robert Shapton:** Yes. I agree, but in your example of the processing of paper, the MOE guidelines would pertain. In the case of recycling in pits and quarries, it does not pertain.

**Ms. Sylvia Jones:** But it does.

**Mr. Robert Shapton:** No. It specifically excludes it—

**Ms. Sylvia Jones:** It does, because section 6 of the act says, "No person shall discharge into the natural environment any contaminant, and no person responsible for a source of contaminant"—

**The Vice-Chair (Ms. Soo Wong):** Okay. Ms. Jones—

**Ms. Sylvia Jones:** I mean, it's pretty specific.

**The Vice-Chair (Ms. Soo Wong):** I don't want to cross-talk. We just did hear your presentation. It's 9:48. We've got to get on to the next witness, okay? Thank you, Ms. Jones. Thank you, sir.

#### ONTARIO GOOD ROADS ASSOCIATION

**The Vice-Chair (Ms. Soo Wong):** Our next witness is from the Ontario Good Roads Association, Dr. James Smith, who is the manager, member/technical services. Dr. Smith, welcome.

I think there's a handout.

**Dr. James Smith:** Yes, there should be a handout.

**The Vice-Chair (Ms. Soo Wong):** Thank you very much. You can start. You have 10 minutes. This round of questioning will be coming from the NDP.

**Dr. James Smith:** Thank you for the opportunity to be here today and speak to you about Bill 56.

I want to first begin by telling you a little bit about Ontario Good Roads Association. We are one of the oldest and largest municipal associations in Canada, founded in 1894. Our mandate is to represent the infrastructure interests of municipalities through advocacy,

consultation, training and the delivery of member-identified services.

OGRA has had an active role in supporting and advancing the use of recycled aggregates. We were one of the founding association members of Aggregate Recycling Ontario. Our board unanimously endorsed Bill 56 both on political and technical merits. We also endorsed the findings from the Standing Committee on General Government's Report on the Review of the Aggregate Resources Act.

0950

I also want to highlight that we have incorporated recycling material and content into a large number of our training courses that we do each year and also have developed some workshops and had a session, most recently, at our ROMA/OGRA conference devoted to recycling aggregates. So across Ontario, we've had about 1,000 people hear that message this year.

But what I'm really here to talk to you about today is some of the technical considerations. What I'd like to do is quickly go through a presentation that I gave at the ROMA/OGRA conference, which also served as my PhD dissertation at the University of Waterloo, looking at Recycled Concrete Aggregate: A Viable Aggregate Source for Concrete Pavements. I'm not going to go through this entire presentation; time will not permit that. I just want to kind of hit some of the key points.

If we look to, originally, slide 3, we see the research scope and objectives of what we were trying to do. They simply boil down to three key things: the development of recycled concrete aggregate, or RCA, concrete mixtures suitable for municipal environments; then to build test sections containing that material; and also to monitor their performance.

I'm now going to jump quickly to slide 5, where we talk a little bit about background and literature material. Through that process, what I found during that study was that there's a lot of contradictory research and findings out there related to the use of recycled aggregates. This has really produced a negative incentive for municipalities using the products. This can be closely tied to the incorporation of waste demolition as an aggregate source, which I do not believe Bill 56 is looking to incorporate. It's taking that high-quality aggregate that we use in our municipal infrastructure, then repurposing or reusing that.

I'm going to quickly jump to slide 7. In our project, we had waste concrete from sidewalks, curbs and gutters that had been taken up in the region of Waterloo. We had crushed them up and used them as a coarse aggregate source within our study. What you see on that slide there is—all of our aggregates were tested to the OPSS 1002, the material specification for aggregates. First, we were able to produce and grade our aggregate to an acceptable standard. That would be OPSS 1002. Then we also looked at some additional tests: specifically, materials finer than 75 microns, their absorption, flat and elongated particles and also micro-deval abrasion. Based upon the way that specification's written, there are no allowances for recycled content and, as a result, the aggregate, even

though it was really high quality, would not have been accepted on that project. But we went forward and we're going to use that in our study.

I'm going to quickly highlight some of the trends that we saw—slide 8—when we actually came up with our mixes that we wanted to come up with before actual placement in the field. We saw that all of the concrete mixes that we had come up with—it was a three-by-four factorial, so there were 12 mixes of different RCA contents: 0% coarse RCA, 15%, 30% and 50%. We found that all the mixes that we came up with had higher strengths for the mixes containing the recycled concrete aggregate. Depending on whatever it was—the 15%, 30%, or 50% mixes—they all relatively had the same concrete strength, so in properties, they were almost identical, initially.

I'm going to quickly lump slides 9, 10 and 11 together. Once we had our mixes, we actually placed four sections out at the University of Waterloo's Centre for Pavement and Transportation Technology's test track in Waterloo. We had four test sections. They were built according to and based off the MTO design methodology. They were placed with a slip form paver, tined as if we were creating a highway. It's also important to point out—slide 10—that we instrumented each one of these sections with a whole bunch of sensors to evaluate their performance and how they were operating.

In terms of the actual performance of the concrete that was placed at the test track—we're now looking at slide 12—we see in terms of compressive and flexural strength that higher strengths were achieved for the 30% coarse RCA material. The virgin aggregate—that's the darkest line—was the poorest-performing in terms of the strength development of the mixes that we placed.

Slide 13 looks at the coefficient of thermal expansion—how it moves in relationship to temperature. What we see is that the 15% and 30% coarse RCA mixes behaved in exactly the same way in terms of a range of how a concrete made with virgin limestone would behave, which is the control that we used in our study. We're seeing very, very similar performance and no difference through the incorporation of the recycled content.

Similarly, on slide 14, looking at the freeze-thaw—how it's going to react to the freezing and thawing cycles during winter—there was virtually no difference between any of our mixes: our virgin control versus the ones that incorporated the RCA.

Now, quickly, slides 15 through 17: As part of the study, we also looked at the performance of those test sections. We were out every two to three months during the first two years, and then it's become twice annually since then. The most recent study was done in September 2013, and what we're seeing is that there's really virtually no difference in the performance of the distresses that we're seeing—or, actually, the condition of those test sections—once again highlighting and showcasing the performance that we can get through our recycled aggregates.

The next couple of slides, 18 through 20, look at some of the sensor results. There's a lot of information there—

I apologize; that's kind of really small—but I just want to highlight that there was a consistent relationship in the readings between our control section and all of the sections that contain the coarse aggregate. We're seeing virtually no difference.

Slide 21: There had to be a large modelling component to the research. We used a mechanistic, empirical modelling tool. With this, it further supported the importance, and also the quality that you can get when incorporating recycled material into concrete products.

I'm going to quickly jump to slide 24—it's sort of the conclusions—just to highlight the first three. We were actually able to produce a concrete with the desired properties that we wanted. The concrete containing the recycled concrete aggregate exhibits improved or similar performance to that of regular concrete. Some of our tests indicate that there may actually be an optimum amount, somewhere around 30%, that we can put into that concrete.

With that, I'll just quickly tie up the presentation. In terms of conclusions, looking at Bill 56, it's just a good science-based policy. We have terminology, or kind of a—yes, we'll call it terminology. When we look at asset infrastructure, we talk about the right treatment to the right project at the right time; the same thing applies here with our aggregates. With the right aggregate on the right project at the right time, we can see substantial increases in its use.

I'll wrap up with this: OGRA fully endorses Bill 56.

**The Vice-Chair (Ms. Soo Wong):** Thank you, Dr. Smith. The NDP: one minute.

**Ms. Catherine Fife:** Thank you, James. Thank you for highlighting the research that's happening at the University of Waterloo. There are some things that I never expected to hear myself say on a Thursday morning. "Virgin aggregate" would be one of those things.

But I do appreciate the research piece, because what I'm interested to know is—and it goes back to some of the previous—the municipal resistance to using recycled aggregate. When you presented at ROMA, can you just give us some sense as to how it was received? Because that remains an obstacle.

**Dr. James Smith:** Okay. At the conference, in the room, it was most favourable. There were municipalities that sort of spoke out about it, and it really stems back from poor experiences when we think about recycled aggregate. What pops to a lot of people's minds is demolition waste. When we look at demolition waste, a lot of that would not meet the specifications to actually qualify as a recycled aggregate, according to the OPSS. There's just a lot of conflicting information.

People use the recycled aggregate terminology for multiple sources. I think from industry's perspective—ARO, Ontario Sand, Stone and Gravel Association—we're looking at that high-quality aggregate that was originally used. When we look at it in that context, there's absolutely—

**Ms. Catherine Fife:** So if you can demystify the quality assurance piece around recycled aggregate, you would see more municipalities embracing it? Municipalities are facing very high pressures on infrastructure investment

and they are thinking—I hope that they are thinking—long term. So if your research can actually be applied—

**Dr. James Smith:** Absolutely. We've seen that. It's trying to get them to dip their toe in the water, to do that first project. We've seen the city of Mississauga, which was quite resistant to recycled aggregate at one point, undertake their first project this year. I would like to believe that some of the research that we did at Waterloo may have actually played a role in that.

**Ms. Catherine Fife:** And just to be clear—

**The Vice-Chair (Ms. Soo Wong):** All right. That was one minute. Thank you, Dr. Smith, for your presentation.

I want to thank all the witnesses here today.

I believe the research officer is going to—there will be a report coming to the committee next Tuesday with regard to all the testimonials.

Ms. Jones, you have a question.

**Ms. Sylvia Jones:** Yes. I think for the purposes of the committee members, it might be helpful if the researcher could distribute the current OPSS standards so that we get an idea of what kind of standards MTO is using and recommending that the municipalities use.

**The Vice-Chair (Ms. Soo Wong):** Any other questions? All right.

Next Wednesday by 5 o'clock, which is April 2, any amendments to Bill 56 need to be filed with the Clerk.

We'll be back here next Thursday, April 3, to do clause-by-clause consideration for Bill 56.

Any other questions? Seeing none, thank you everybody. The committee is adjourned.

*The committee adjourned at 1002.*





## **CONTENTS**

Thursday 27 March 2014

Subcommittee reports.....	F-811
Aggregate Recycling Promotion Act, 2014, Bill 56, Ms. Jones / Loi de 2014 sur la promotion du recyclage des agrégats, projet de loi 56, Mme Jones.....	F-812
Aggregate Recycling Ontario.....	F-812
Mr. Brian Messerschmidt	
Ontario Stone, Sand and Gravel Association .....	F-813
Ms. Moreen Miller	
Oxford Coalition for Social Justice.....	F-815
Mr. Bryan Smith	
PitSense Niagara Escarpment Group Inc. ....	F-817
Mr. Robert Shapton	
Ontario Good Roads Association.....	F-819
Dr. James Smith	

### **STANDING COMMITTEE ON FINANCE AND ECONOMIC AFFAIRS**

#### **Chair / Président**

Mr. Kevin Daniel Flynn (Oakville L)

#### **Vice-Chair / Vice-Présidente**

Ms. Soo Wong (Scarborough–Agincourt L)

Mr. Steven Del Duca (Vaughan L)

Mr. Victor Fedeli (Nipissing PC)

Ms. Catherine Fife (Kitchener–Waterloo ND)

Mr. Kevin Daniel Flynn (Oakville L)

Mr. Douglas C. Holday (Etobicoke–Lakeshore PC)

Ms. Mitzie Hunter (Scarborough–Guildwood L)

Mr. Monte McNaughton (Lambton–Kent–Middlesex PC)

Mr. Michael Prue (Beaches–East York ND)

Ms. Soo Wong (Scarborough–Agincourt L)

#### **Substitutions / Membres remplaçants**

Mrs. Laura Albanese (York South–Weston / York-Sud–Weston L)

Mrs. Donna H. Cansfield (Etobicoke Centre / Etobicoke-Centre L)

Ms. Sylvia Jones (Dufferin–Caledon PC)

Ms. Laurie Scott (Haliburton–Kawartha Lakes–Brock PC)

Mr. John Vanthof (Timiskaming–Cochrane ND)

#### **Clerk / Greffier**

Mr. Katch Koch

#### **Staff / Personnel**

Mr. Jerry Richmond, research officer,

Research Services

C'AZON  
XC25  
F31

Government  
Publications

F-28



F-28

ISSN 1180-4386

## Legislative Assembly of Ontario

Second Session, 40<sup>th</sup> Parliament

## Official Report of Debates (Hansard)

Thursday 3 April 2014

Standing Committee on  
Finance and Economic Affairs

Aggregate Recycling  
Promotion Act, 2014

## Assemblée législative de l'Ontario

Deuxième session, 40<sup>e</sup> législature

## Journal des débats (Hansard)

Jeudi 3 avril 2014

Comité permanent des finances  
et des affaires économiques

Loi de 2014 sur la promotion  
du recyclage des agrégats



Chair: Laura Albanese  
Clerk: Katch Koch

Présidente : Laura Albanese  
Greffier : Katch Koch

### **Hansard on the Internet**

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. The address is:

<http://www.ontla.on.ca/>

### **Index inquiries**

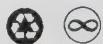
Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.

### **Le Journal des débats sur Internet**

L'adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance est :

### **Renseignements sur l'index**

Adressez vos questions portant sur des numéros précédents du Journal des débats au personnel de l'index, qui vous fourniront des références aux pages dans l'index cumulatif, en composant le 416-325-7410 ou le 325-3708.



## LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON  
FINANCE AND ECONOMIC AFFAIRS

Thursday 3 April 2014

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES FINANCES  
ET DES AFFAIRES ÉCONOMIQUES

Jeudi 3 avril 2014

*The committee met at 0901 in committee room 2.*

## ELECTION OF CHAIR

**The Vice-Chair (Ms. Soo Wong):** Okay. We're going to commence the Standing Committee on Finance and Economic Affairs. We're here today for the clause-by-clause consideration of Bill 56, An Act to prohibit certain restrictions on the use of aggregates in performing public sector construction work.

Before we can proceed, there's one housekeeping matter for the committee to deal with, and that is the election of the Chair, because of the membership change of the Standing Committee on Finance and Economic Affairs made by the House on April 1, 2014.

That being said, I am now open for nominations for the position of committee Chair. Are there any nominations? Ms. Hunter?

**Ms. Mitzie Hunter:** Chair, I nominate Mrs. Albanese.

**The Vice-Chair (Ms. Soo Wong):** All right. Ms. Albanese, do you accept the nomination?

**Mrs. Laura Albanese:** I accept.

**The Vice-Chair (Ms. Soo Wong):** Are there any further nominations? There being no further nominations, I declare the nominations closed. Mrs. Albanese is now the Chair of the committee.

**The Chair (Mrs. Laura Albanese):** It's nice to be back at finance and economic affairs. It has been a number of years since I've been a part of this committee, but it's a committee that I have always enjoyed, and I hope that we will do productive work together. Thank you.

AGGREGATE RECYCLING  
PROMOTION ACT, 2014LOI DE 2014 SUR LA PROMOTION  
DU RECYCLAGE DES AGRÉGATS

Consideration of the following bill:

Bill 56, An Act to prohibit certain restrictions on the use of aggregates in performing public sector construction work / Projet de loi 56, Loi interdisant certaines restrictions frappant l'utilisation d'agrégats lors de la réalisation de travaux de construction pour le secteur public.

**The Chair (Mrs. Laura Albanese):** Today we are looking at clause-by-clause of Bill 56. Are there any

comments, questions or amendments to any section of the bill? And, if so, to which section?

Ms. Jones?

**Ms. Sylvia Jones:** Chair, I would like to move a motion in committee on section 1.

I move that section 1 of the bill be amended by adding the following definition:

“acceptable recycled aggregates” means aggregates that are not newly produced and that are not materials obtained from the demolition of a building; (“agrégats recyclés acceptables”)

**The Chair (Mrs. Laura Albanese):** Any discussion? Any comments? Ms. Jones?

**Ms. Sylvia Jones:** If I may: The genesis of my amendment—and you will see that they're very consistent, the four of them—is to alleviate some of the concerns that were raised with AMO in their written presentation and through a couple of the oral presentations last week.

**The Chair (Mrs. Laura Albanese):** Any debate? Any further comments? Are the members ready to vote on the amendment?

All those in favour? Those opposed? Seeing none, carried.

Seeing no other amendments, shall section 1 of the bill, as amended, carry? Carried.

We'll go on to section 2. Are there any amendments? Ms. Jones?

**Ms. Sylvia Jones:** I move that subsection 2(1) of the bill be amended by striking out “aggregates that are not newly produced” and substituting “acceptable recycled aggregates”.

**The Chair (Mrs. Laura Albanese):** Any discussion or comments? So the members are ready to vote?

All those in favour? Opposed? Seeing none—that's carried.

Now we are going to another subsection. Ms. Jones?

**Ms. Sylvia Jones:** I move that subsection 2(2) of the bill be amended by striking out “aggregates that are not newly produced” and substituting “acceptable recycled aggregates”.

**The Chair (Mrs. Laura Albanese):** Any discussion? Are members ready to vote?

All those in favour? Opposed? Carried.

Shall section 2, as amended, carry? Carried.

We'll move on to section 3 of the bill. Any amendments? Ms. Jones?

**Ms. Sylvia Jones:** I move that clause 3(b) of the bill be struck out and the following substituted:

“(b) specifying what constitutes acceptable recycled aggregates;”

**The Chair (Mrs. Laura Albanese):** Any discussion? Are the members ready to vote?

All those in favour? Opposed? Carried.

Shall section 3, as amended, carry? Carried.

There are no amendments on section 4. Is there any discussion on section 4 or are the members ready to vote?

Shall section 4 carry? Carried.

Same thing for section 5, any discussion? Ready to vote? Mr. Prue?

**Mr. Michael Prue:** I don't want to make an amendment because I don't want it to be frivolous, but this should also be known as the Sylvia Jones Act.

*Interjections.*

**Mr. Michael Prue:** If she wants to move that, I'll vote for it.

*Interjections.*

**The Chair (Mrs. Laura Albanese):** Is there a motion on the floor?

Are the members ready to vote?

All those in favour? Opposed? Carried.

We now go to the preamble. Any discussion on the preamble? Are members ready to vote?

All those in favour? Opposed? Carried.

We're going to the title. Shall the title of the bill carry? Carried.

Shall Bill 56, as amended, carry? Carried.

Shall I report the bill, as amended, to the House? Agreed.

Congratulations. Carried.

That's it. We'll gavel it down.

*The committee adjourned at 0910.*







## **CONTENTS**

Thursday 3 April 2014

Election of Chair.....	F-823
Aggregate Recycling Promotion Act, 2014, Bill 56, Ms. Jones / Loi de 2014 sur la promotion du recyclage des agrégats, projet de loi 56, Mme Jones.....	F-823

### **STANDING COMMITTEE ON FINANCE AND ECONOMIC AFFAIRS**

#### **Chair / Présidente**

Mrs. Laura Albanese (York South-Weston / York-Sud-Weston L)

#### **Vice-Chair / Vice-Présidente**

Ms. Soo Wong (Scarborough-Agincourt L)

Mrs. Laura Albanese (York South-Weston / York-Sud-Weston L)

Mr. Steven Del Duca (Vaughan L)

Mr. Victor Fedeli (Nipissing PC)

Ms. Catherine Fife (Kitchener-Waterloo ND)

Mr. Douglas C. Holyday (Etobicoke-Lakeshore PC)

Ms. Mitzie Hunter (Scarborough-Guildwood L)

Mr. Monte McNaughton (Lambton-Kent-Middlesex PC)

Mr. Michael Prue (Beaches-East York ND)

Ms. Soo Wong (Scarborough-Agincourt L)

#### **Substitutions / Membres remplaçants**

Mrs. Donna H. Cansfield (Etobicoke Centre / Etobicoke-Centre L)

Ms. Sylvia Jones (Dufferin-Caledon PC)

Ms. Laurie Scott (Haliburton-Kawartha Lakes-Brock PC)

Mr. John Vanthof (Timiskaming-Cochrane ND)

#### **Clerk / Greffier**

Mr. Katch Koch

#### **Staff / Personnel**

Mr. Michael Wood, legislative counsel

XC25  
-F31



F-29

F-29

ISSN 1180-4386

## Legislative Assembly of Ontario

Second Session, 40<sup>th</sup> Parliament

## Official Report of Debates (Hansard)

Thursday 10 April 2014

Standing Committee on  
Finance and Economic Affairs

Respect for Municipalities Act  
(City of Toronto), 2014

## Assemblée législative de l'Ontario

Deuxième session, 40<sup>e</sup> législature



## Journal des débats (Hansard)

Jeudi 10 avril 2014

Comité permanent des finances  
et des affaires économiques

Loi de 2014 sur le respect  
des municipalités  
(cité de Toronto)

### **Hansard on the Internet**

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. The address is:

### **Le Journal des débats sur Internet**

L'adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance est :

<http://www.ontla.on.ca/>

### **Index inquiries**

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.

### **Renseignements sur l'index**

Adressez vos questions portant sur des numéros précédents du Journal des débats au personnel de l'index, qui vous fourniront des références aux pages dans l'index cumulatif, en composant le 416-325-7410 ou le 325-3708.

---

Hansard Reporting and Interpretation Services  
Room 500, West Wing, Legislative Building  
111 Wellesley Street West, Queen's Park  
Toronto ON M7A 1A2  
Telephone 416-325-7400; fax 416-325-7430  
Published by the Legislative Assembly of Ontario



Service du Journal des débats et d'interprétation  
Salle 500, aile ouest, Édifice du Parlement  
111, rue Wellesley ouest, Queen's Park  
Toronto ON M7A 1A2  
Téléphone, 416-325-7400; télécopieur, 416-325-7430  
Publié par l'Assemblée législative de l'Ontario

## LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON  
FINANCE AND ECONOMIC AFFAIRS

Thursday 10 April 2014

*The committee met at 0901 in room 151.*

**RESPECT FOR MUNICIPALITIES ACT  
(CITY OF TORONTO), 2014**  
**LOI DE 2014 SUR LE RESPECT  
DES MUNICIPALITÉS  
(CITÉ DE TORONTO)**

Consideration of the following bill:

Bill 20, An Act respecting the City of Toronto and the Ontario Municipal Board / Projet de loi 20, Loi portant sur la cité de Toronto et la Commission des affaires municipales de l'Ontario.

**The Vice-Chair (Ms. Soo Wong):** We're going to start the committee. Good morning. We are assembled here today to hold public hearings on Bill 20, An Act respecting the City of Toronto and the Ontario Municipal Board. I believe that the Clerk has set up a committee room down the hall for the overflow. There's a large audience. Just so the members know, committee room 1 has been set up for the extra audience at the hearing.

As ordered by the committee, each selected witness will be offered 15 minutes, and should there be any time remaining following each presentation, the questioning will be done in rotation by caucus, starting with the official opposition.

Any questions from the committee before we start? Do we have any questions before we commence?

**WELLINGTON PLACE  
NEIGHBOURHOOD ASSOCIATION**

**The Vice-Chair (Ms. Soo Wong):** At this time, I call the first witness to the table. From the Wellington Place Neighbourhood Association: Mr. Ken Greenberg. Welcome, Mr. Greenberg. As you know, we have 15 minutes for your presentation. Then, as you heard, the first series of questions, if there's any time within your 15 minutes, will be from the official opposition. Can you please identify yourself for the record? You can commence. Thank you.

**Mr. Ken Greenberg:** Ken Greenberg. I'm an architect, urban designer and president of the Wellington Place Neighbourhood Association.

Madam Chair, members of the committee, thank you very much for the opportunity to appear here this morning. I come wearing two hats, representing the Wel-

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES FINANCES  
ET DES AFFAIRES ÉCONOMIQUES

Jeudi 10 avril 2014

lington Place Neighbourhood Association, but also as a professional in the field, having worked for 10 years as director of architecture and urban design for the city of Toronto under three mayors and for 26 years practising internationally on planning and design matters.

My submission—and I believe you all have copies of the submission that I am working from this morning—is that the Ontario Municipal Board is basically the wrong tool for the job. What we're doing is using a hammer to turn screws. It is a deeply flawed institution and it is poorly suited for the role that it has come to play in a large city like Toronto.

Almost uniquely among jurisdictions, the province of Ontario has adopted the model of a quasi-judicial tribunal called the OMB for the adjudication and oversight of planning matters. The board's decisions are final. Its role, as I'm sure you're well aware, has always been highly controversial, given its undemocratic authority to overrule legally elected municipal councils and increasingly substitute its own decisions for municipal ones.

In fact, what has happened in recent years is that the OMB has become the de facto planning board for Toronto, and it is fundamentally unsuited for this role. A judicial tribunal is exactly the wrong kind of model. It's loosely modelled on a court but without actual trained judges or any basis in common law. It uses an adversarial form of interrogation: examination and cross-examination. It's binary. It's reductive. Whatever the merits of this system in criminal courts or in civil cases, it's exactly the wrong way to have discussions about city building with many complex interrelated variables. Because it looks at each development proposal on a one-off basis in this adversarial environment, it cannot consider the cumulative effects of multiple developments in an area on decision-making or how they impact each other.

What we need, in fact, is something different. We need a multi-party, free-ranging discussion. We need to build solutions and develop consensus among parties, and we need a wide and deep understanding of the issues and the places in question.

It's not surprising that a veritable cottage industry has emerged around this phenomenon of the OMB, including a type of lawyer that doesn't exist in any other jurisdiction and never practises in front of a real court. We have professional witnesses and handlers who do nothing but appear at the OMB. This system has actually severely distorted the planning process.

Smart developers often choose their development teams based on an assumption that they will go to the OMB. They start with lawyers and then they end up choosing designers for their projects based not on their skill in their profession but their ability to appear as witnesses.

In terms of the city, an enormous amount of resources are diverted into appearing and preparing for OMB hearings. A former colleague of mine, a chief planner, estimated—and this was a few years ago—that his staff was spending 14,000 hours annually, 2,000 person-days, just preparing for OMB hearings. What this does is it leaves diminished resources for integrated long-range planning, social planning and neighbourhood and community planning, which is what planning staffs in other cities actually spend their time doing.

To make it worse, what happens is, because city officials and elected politicians know that their decisions are likely to be countermanded by the OMB, they don't take their roles seriously. This is producing in communities a high level of uncertainty, cynicism and alienation, which I know you hear a great deal about.

The problem is, with this tribunal model, the only way to express concerns about a development is to engage in highly technocratic discussions over quantifiable measures of height and density. What this does is it puts people on the defensive. It doesn't allow them to talk about the things that really interest them.

I want you to put this in perspective, knowing that nowhere else in the world—nowhere in the 50 states; nowhere in the remaining provinces of Canada—is there any comparable model. This has become a symbol of the immaturity of a great city like Toronto.

It produces highly inequitable treatment based on access to expensive lawyers. In the litigious atmosphere of the OMB, the wrong issues get discussed. For people who want to talk about qualitative issues—how development affects their neighbourhood, how it is shaped, how it integrates with the existing neighbourhood—it's not possible to do that. The only things that people are allowed to talk about are very esoteric discussions of a kind of pseudo-scientific numerology related to planning.

How is this done in other cities? In other cities, two things happen. One is, the real decisions are vested with the people who are democratically elected. They often have recourse to arm's-length bodies like planning commissions and planning boards. There is a great benefit in doing this because it removes this kind of discussion from the political fray.

These bodies typically have a variety of people on them who have real expertise—architects, landscape architects, planners, urban designers, community people, people in the real estate industry—who know the subject, who know the places intimately. They're not parachuted in from other cities or other jurisdictions.

0910

It's typically a multi-step process. There are no lawyers present. People are allowed to talk freely. There's no such thing as cross-examination, people being humiliated

and intimidated by lawyers. Through a multi-step discussion, good solutions emerge.

The argument is still made by people who somehow favour the presence of the OMB in Toronto that, as bad as it is, it's preferable to allowing the dysfunctional city of Toronto to take over. My counterargument to that is that this is the moment to break the vicious cycle, that fundamentally, this litigious and constrained adversarial dialogue implicit in the tribunal model—which the OMB, uniquely among jurisdictions, has adopted for planning matters—produces the antithesis of the kind of qualitative, multi-party informal dialogue that's essential to produce best practices in city building and should be done away with in favour of any number of more productive models that one can find around the world.

In conclusion, I would say that if we were talking about health care this morning, what we have is a system with very little work on public health or prevention and an almost total reliance on the emergency room. Thank you very much.

**The Vice-Chair (Ms. Soo Wong):** Thank you very much, Mr. Greenberg.

Just for the committee's sake, the Clerk just told me that Mr. Greenberg submitted his written submission, and we will be receiving a copy this afternoon. I just wanted everybody to know on the record.

This round of questions, Mr. Greenberg, is from the opposition party. Who will start? Mr. McDonell?

**Mr. Jim McDonell:** Yes.

**The Vice-Chair (Ms. Soo Wong):** You have five minutes.

**Mr. Jim McDonell:** Thank you for your submission. I think that everybody is aware of the shortcomings or issues with the OMB. Your choice without it is to fight your battles out in court. What are your feelings about that, or have you seen models that you would like to bring back to us as an option?

**Mr. Ken Greenberg:** I served for a year and a half as the chief planner in Boston. Boston has a planning and development commission, which is the kind of panel that I just described. Developers and their designers come to the panel and present their projects several times. The community is invited. There's a chair of the panel. There's a free discussion.

I hardly ever saw a lawyer in the room. The only times anything ended up in court, in civil court—and this would be an extremely rare occurrence—were actual matters of civil law: contract disputes, procedural issues. But this is like a one-in-500 occurrence. Actually, the system functions extremely well.

I've appeared before such bodies in jurisdictions in Europe, in many of the United States and other Canadian provinces. I think what's happened is, somehow, people in Ontario have gotten used to this and have come to believe that something that is extremely unusual and dysfunctional is normal. It's not.

**Mr. Jim McDonell:** Throughout your issues—we don't have your brief in front of us—maybe you could just go over the issue that brought you here today. I

would imagine there's a neighbourhood issue that's showing you how dysfunctional the board is.

**Mr. Ken Greenberg:** Well, it's not a single issue. The Wellington Place neighbourhood goes back to 1830. It's one of the oldest neighbourhoods in the city. It includes a cemetery where Lieutenant Governor Simcoe's daughter is buried, along with 500 graves. It was the original burial ground for Fort York. It is part of King-Spadina, which is going through a phenomenal transformation, along with King-Parliament—a very intensive redevelopment.

Our association and our neighbouring associations have seen probably more applications come forward for redevelopment than almost any other jurisdiction or any other area in the province. We have seen how the spectre of the OMB, the performance of the OMB, is profoundly disruptive and distorts any good and fruitful discussion around planning matters. So it's not a single issue; it's an accumulation of frustrations that the community has felt over many years.

Working with the local councillors, what we have tried to do is to informally, extra-judiciously—whatever the word is—create the kind of multi-party discussion that I've been describing. When that occurs, it obviously allows the parties, where there are differences, to air those differences in a constructive way.

I'm utterly convinced of the merit of what I'm telling you. I also think that if we did not have the planning staff required to do all this preparation for OMB hearings, we would have one of the finest planning operations on the continent. We have an extraordinary city with a great talent pool. We have many talented developers. Everybody is being forced to go through this phony court system, with people playing Perry Mason and acting in extremely strange ways to discuss issues that cannot be discussed effectively in this manner.

**Mr. Jim McDonell:** Generally, in your official plans your zoning is in place. Is this an issue with going beyond those limits, or is there disagreement within the bounds of what the official plans are? They're put together and reviewed every five, six years.

**Mr. Ken Greenberg:** As I'm sure you're aware, going back to my day at the city—I started under David Crombie. At that time, the OMB, at least more so than is the case today, was looking at the official plan and looking at whether decisions complied with the official plan.

As I'm sure you're aware, the OMB now feels perfectly free to make it up as it goes along and to totally ignore the official plan. So you get what are called "minor variances," where you will have heights that are 300% greater than what the bylaw allows or the kinds of densities that the official plan calls for, which are treated as minor variances. This is entirely at the whim of members of the OMB, who may be parachuted in from North Bay, who may never have stepped foot on the sidewalks where the development is occurring and who are really responding to which lawyer has the biggest pile of documents or the most expensive witnesses. So the reference

to the OMB is completely gone through the official plan—

**The Vice-Chair (Ms. Soo Wong):** Thank you, Mr. Greenberg. Your time's up. Thank you very much.

**Mr. Ken Greenberg:** Thank you.

#### MR. PAWAN JAIN

**The Vice-Chair (Ms. Soo Wong):** The next witness is Pawan Jain. This round of questions will be coming from the NDP.

Welcome, Mr. Jain. Can you please identify yourself for the record? You have 15 minutes for your presentation. This round of questioning will be coming from the official third party.

**Mr. Pawan Jain:** My name is Pawan Jain. I'm a resident of North York. I live at 17 Marcelline Crescent, and I'm here representing myself. I am basically here to recount a negative experience that I've had with a development directly behind my house.

I'd like to speak in favour of Bill 20. For the record, I completely agree with the previous speaker. What he said is totally consistent with my own experience with the OMB.

I'll have to go over some of the details of this development that happened behind my house. I probably won't get every detail right, but I just want to give you a general sense of where I'm coming from. If you have a handout, you'll see a map on it. I live at 17 Marcelline Crescent, which is right about there. Right behind me is a site which has three office buildings on it. It's 1200 Sheppard, which is on the north side of Sheppard—immediately facing Sheppard. Behind it is 1210 and 1220 Sheppard. They're all on one site. They're all owned by the same developer.

And 1200 Sheppard is directly behind my house. Window to window, we are 300 feet apart—less than 100 metres. I've lived there for 30 years. I've been very happy there. I've had a lot of privacy in my backyard. I have no residents behind me. There is a railway line. I get a train going by once in a while, but that's okay; I'm used to it. But I liked the privacy.

0920

In February 2012, I got some rather disturbing news. The owner of this site, the developer, wanted to destroy the building that was behind me, the commercial building, and instead put up six condo buildings on the site in addition to the two office buildings that were at the back. So we're talking about six condo buildings ranging in height from about 19 storeys to 41 storeys with a total of over 2,000 condos, so you're talking about 5,000 or 6,000 new residents over there, at minimum, assuming that everything is occupied. And there would be a 31-storey building directly behind my house where the office building presently exists. That I found extremely disturbing because nobody, I'm sure, would like to have a 31-storey condo building directly behind their home.

In any event, we went through the whole process of trying to do whatever we could to get this development

refused or cut back. We had public meetings where 220 people showed up. There was a lot of yelling and screaming. The city issued a refusal report and outright said, "No, you can't do this."

The developer went back and came up with a new proposal, which is similar to the one you see over here—that's kind of a pictorial representation of what their second proposal looked like. As you can see, they cut back the number of condo towers from six to five. They cut the height down a little bit; instead of 2,000 condos, they now wanted about 1,700. The city refused that, too. They issued another refusal report.

The developer then went to the OMB. The first day that they could, they filed an application to the OMB to get this project approved. At the OMB, one of the members said that he thought that there was enough room for a negotiation here, and so they went to a negotiation. Frankly, I don't see what room there was for a negotiation, but that's what they decided to do.

The negotiation ended up with us still having five buildings but with heights slightly lower. The heights are now 12, 19, 31, 31 and 31 storeys. This is right at the corner of Leslie and Sheppard.

That's where the matter ended. This was approved by the OMB. It didn't go to a full hearing. We had to agree to this as residents in that community because, had it gone to a full hearing, it would have cost us \$150,000 and we may have had an approval which was worse than what we could negotiate on our own. But we obviously are not happy with it. I still end up with a 19-storey condo building right in my—you know, very close to my backyard.

What I drew out of all this is this: Because the OMB is so pro-developer, they are so biased in favour of approving developments, developers no longer even feel they have to be reasonable about their demands. They can start with 41-storey buildings and maybe if they have to work their way down a little bit, they will, but really they can ask for the moon and they have a pretty good chance of getting away with it. They know that, so they don't really have much incentive to deal with anything else.

The second thing I found was that they completely ignored the city. The city was a speed bump on the way to the OMB.

There is a thing called the Sheppard East Subway Corridor Secondary Plan which was negotiated between Councillor Shiner, Mayor Mel Lastman and a whole bunch of other people, at the time when the Sheppard subway was constructed—before it was constructed. This was an agreement between all parties, including the owner of that site at 1200 to 1220 Sheppard, in terms of how much density would be allowed and exactly what the rules would be with development in that neighbourhood once the subway was built.

All that was completely ignored. If you look at the last page, which deals specifically with 1200 to 1220 Sheppard East, it says, "Mixed use areas designation, and a maximum gross density of 2.5 times the lot area" applies

here—a maximum gross density of 2.5. The developer started with a proposal of 5.5 density. His second proposal was around 4.7. What was finally approved was 3.94. It was literally like: Whatever work had been done before didn't exist. They wanted to go to the OMB as quickly as possible, and whatever was approved was approved. That's why I really think you need to do something about this, because the system is destroying our neighbourhoods.

The system in general, I found, was totally one-sided. The developer has no incentive whatsoever to do anything that we say. They will go to the OMB, where they're pretty much certain to get their way.

In terms of development generally, my background is in economics and finance. I'm very pro-free enterprise. I agree with the profit motive. I've seen a lot of countries where free enterprise is denied and I've seen the lives of generations of people ruined because of that. So I'm not against development generally, and I'm not against free enterprise.

The problem is, you need rules of the road. You have to stop people from hurting each other. That's why you have traffic rules, laws against selling fake drugs, laws about the crashworthiness of cars—you have any number of laws. The rules that the city planning department comes up with are designed to protect us against abusive land use, and they are being ignored by the OMB. This is already leading to a substantial amount of people being very cynical about development generally. I think that would be a pity if that happens. That's all I have.

**The Vice-Chair (Ms. Soo Wong):** Thank you very much, sir. This round of questions is the NDP. Mr. Marchese, you have six minutes.

**Mr. Rosario Marchese:** Yes. We both have questions, I think. Mr. Pawan Jain, there was a question that was asked by actually the Chair of this committee to the current Minister of Municipal Affairs and Housing. She asked about why we should preserve the OMB. He obliged, of course, and he said, "The OMB makes dispute resolution easier, cheaper and faster for community groups and municipalities than the courts"—because it's assumed it's going to go to the court. I'm not sure why, but that's the assumption they make. "That's important, Speaker; we need to all remember that. It plays an important role in hearing land use appeals, attempting to balance the provincial planning policy with local planning decisions and community interests." Is that your experience, based on what you told us today?

**Mr. Pawan Jain:** No, it is not. Like the previous speaker said, the developers regard the OMB as the only planning department in Ontario. They are not a dispute-resolution mechanism; they are the planning department. Everyone else is just making suggestions. If they can override everything and make up whatever rules they want or come up with whatever justification they want for their decisions, how does it matter what anyone else says? They're not adjudicating anything; they're making up the rules.

**Mr. Rosario Marchese:** Tell me—because the minister says it's easier: How easy was it for you to go to the OMB? What skills do you bring to defend yourself? How much cheaper is that for you, as they claim?

**Mr. Pawan Jain:** I'm just a resident there. We have a residents' association. We spent the better part of a year and a half trying to collect money—writing up flyers, having meetings and doing all sorts of things, whatever we could think of to try and fight this. We raised, as an association, about \$63,000 over the course of a year and a half. Had we gone to a full hearing, as the developer wanted—they wanted a six-week hearing at the OMB—that would have cost us in the neighbourhood of \$140,000 to \$150,000, money which we didn't have and couldn't raise. So there's no way that we could have anywhere near the same advantage as the developer, even if we worked at it 24/7, which we couldn't. It is a completely one-sided process, and the developers know it.

**Mr. Rosario Marchese:** I wanted to tell you and to point out to the committee members that the government put out a land use planning and appeal system review. On page 10, they say specifically, "This consultation will not discuss or consider elimination of the OMB; the OMB's operations, practices and procedures," and a few other matters. But the OMB, they said, is not to be discussed.

0930

**Mr. Pawan Jain:** To me, that's analogous to wanting to make an omelette but not wanting to crack an egg. The whole thing is about the OMB. If you're not doing anything with the OMB or its policies and practices, you're really not doing anything.

I understand there is some other review which is happening in the city of Toronto. They're trying to change the way they are planning, maybe ban appeals for residents but allow appeals for developers. I'm not sure exactly what that is totally about. But, again, it's meaningless as long as the OMB can change anything. As long as that's there and the city is subject to their jurisdiction, they can change their policies all they want, and it doesn't even amount to a suggestion.

**Mr. Rosario Marchese:** Thanks very much.

I don't know, Michael; do you have any questions?

**The Vice-Chair (Ms. Soo Wong):** Mr. Prue?

**Mr. Michael Prue:** I just want to get into the agreement that you finally made with the developer. You felt that you had no choice but to do that?

**Mr. Pawan Jain:** Yes.

**Mr. Michael Prue:** And it was simply a matter of money, or was it a matter of expertise or—

**Mr. Pawan Jain:** It's a matter of money. The agreement was between the lawyer and the consultant we hired for our association, between the city, Councillor Shiner, as well as the planner who was involved for the city, Ms. Lynn Poole, as well as the developer's lawyer and planner.

They hammered it out in an office in the OMB. The reason we agreed to it was partly because of money and partly because we know what the OMB does by reputation. We had very little prospect, we thought, of getting

any kind of a better deal should the matter go before a full hearing. If it did, we could end up with a worse deal, and most people, in fact, have.

The OMB's record is on their website. You can go over it case by case and see how they rule on stuff. I did that as a matter of interest. I went over it case by case. I looked at cases for a year. Every single one of them is in favour of the developer. Maybe where they've postponed something or it's on some minor basis—you know, "Go back and check this," or whatever—in the end, they approve it.

So we really had very little hope of getting anywhere, and we had spent a lot of time and money essentially achieving nothing in the end, had we not agreed to it. It's a negotiation, but it's a negotiation with a gun to our heads essentially.

**Mr. Michael Prue:** Up until that point, when you were negotiating with the city and the developer and the city kept coming back and saying no to the developer, and the planners were on board, you literally had everybody on board—

**Mr. Pawan Jain:** Yes.

**Mr. Michael Prue:** —including the community and, all of a sudden, once it got to the OMB, you found out you were almost defenceless?

**Mr. Pawan Jain:** Yes, exactly. In fact, we know the city planners. We talk to them regularly. I know Councillor Shiner; they know us. They know the residents of the place. We have a good working relationship with them. But as soon as it went to the OMB, we could sense a change in their attitude right away, like, "Oh, my God, there we go again." They knew what they faced because they face this every day.

**The Vice-Chair (Ms. Soo Wong):** Mr. Jain, thank you for your presentation.

**Mr. Pawan Jain:** Thank you very much.

MR. ADAM VAUGHAN

**The Vice-Chair (Ms. Soo Wong):** Our next witness is Councillor Adam Vaughan, ward 20, Trinity-Spadina. Councillor Vaughan, welcome.

This round of questioning, Councillor Vaughan, is from the government side, and you have 15 minutes for your presentation.

**Mr. Adam Vaughan:** Thank you. It's nice to see many of you again. Hello.

As you are aware, I am a city councillor from the city of Toronto, and that carries with it quite the reputation sometimes. We're quite often told we're not the centre of the universe and we shouldn't be trying to govern other parts of the province, let alone the country, from a perspective that sees city hall at the heart of all things that we do. However, the OMB reverses that and reverses it in a very dramatic way in the neighbourhoods that I represent.

Before I get into some of the most ridiculous planning policy that has been visited upon the communities I represent, I'd like you to think about the OMB in a

completely different way. If it didn't exist, can you imagine trying to create it? Can you imagine a constituent of yours coming up to you in Sudbury and saying, "We have a really serious problem on King Street in Toronto, and we need to override the decision of local expertise and the local councillor and the local neighbourhood, and we need to appoint somebody from Sudbury to rule and govern the city of Toronto to make sure they make the right decision on planning issues affecting the local community"? That's the most important thing happening in our neighbourhood today.

Can you imagine somebody from Kitchener saying, "Look, we have no hope of responding to an application by the university to build student housing. We really need somebody from downtown Toronto to figure this out for us. Can you please abdicate your responsibility as a local councillor, remove yourself from the process as a local MPP and appoint somebody who hasn't even been to Kitchener from a neighbourhood to come in and decide what should happen in Kitchener as it tries to deal with an expanding university?" Can you imagine selling that politically in the areas that you represent?

Sustaining the OMB as a governing agent over planning in Toronto is exactly what you do when you ignore this member's bill. It doesn't work. It just doesn't work.

I can show you projects that have come in front of the OMB two or three times, been refused two or three times, and then have come back a fourth time, only to be approved. If it's a rational, evidence-based planning body that's supposed to govern according to the conditions and the rules set in front of it and make the right decision because council is unable, how can it make a different decision with the same evidence in front of it based on who the panel member is? How does that happen? It just doesn't make sense.

We have countless examples in the ward that I represent of the OMB wading into policy and changing decisions that are being made and arrived at, even by the OMB, without any rationale that's tied to the Planning Act. We've had to go to Divisional Court, and the best you can hope for at Divisional Court is to go back to the OMB—back to the very source of the problem.

We have a project on King Street which has come in three times now, because the developer just can't seem to get it right each time he makes an application. It was refused by planning and by the city council, and it was approved at the OMB because they liked the architecture. Architecture is not a planning issue. Once you get the approval you can switch the architect, and you still have the planning envelope, approved by the OMB, in place.

Nonetheless, the same project has come back to city hall—in the middle of the OMB hearing—and asked for another floor. Why? Because if they got the approval for one incremental change, a second incremental change would be rational, approachable, maybe even preferable. And no sooner did the first case go off to Divisional Court than the second one was at the OMB, and it was approved. Now, we just got an application from the same developer on the same site with the same architect for

another set of revisions to further increase the height of a building.

It's the third run at this building. The argument each time in front of the OMB is, "It's just an incremental change," and the OMB says, "Yes, it's just an incremental change." If it had come in at the final position instead of the first position, it would not have been incremental; it would have substantial, and the OMB probably would have refused it. But you've set up a system that allows for repeated approaches, incrementally, to get what they want that they can't get with an honest approach to the planning process. That's unacceptable and it's wrong.

It's a system which is perpetuated by the fact that the provincial government continues to impose what can only be described as a colonial approach to planning in Toronto. I'm not asking for Kitchener or Lake of Bays to be exempt from the OMB; I am asking for the city of Toronto to be.

When we've approached several ministers in the past, they've all said the same thing to us: "If you take responsibility, as outlined in the City of Toronto Act, we will think about it." The local appeals body is one of the issues that you've asked us to embrace. It's currently making its way through committee right now, as we speak. It's a committee which I should be going back to very shortly.

The other issue is the development permit system, also on the books to try to exempt neighbourhoods with very specific planning tools from the purview of the OMB. We're doing that. But at the end of the day, as long as it exists, you will have developers do what one is doing in my ward right now, which is file an application, refuse to meet with planning, refuse to meet with the community, refuse to meet with the local councillor, sue the city for enforcement on the site in question and then go straight to the OMB, because after 120 days, that's the right that's been granted to them. It just doesn't make sense. It's not good public policy, it's not good planning and it doesn't deliver what we need as a city, which is the ability to make decisions, to be held to account for the decisions we make and to build the city that we know will work.

#### 0940

Again, I leave you with the thought: How many of your constituents have ever walked up to you and said, "The porch on Brunswick Avenue is too big; you really have to do something about this if I'm going to vote for you to go to Queen's Park"? None of you get those issues, and yet you've set up a system that governs that very question in our neighbourhoods.

We don't want the OMB; we don't need the OMB. What we need is relief from the OMB, and that's what this member's bill hopes to do. That's why all of the communities that I represent, and most of the city, stand right there asking for this opportunity to grow up, take responsibility, become transparent and accountable, and deliver good planning and a better city to all of Ontario. Thanks.

**The Vice-Chair (Ms. Soo Wong):** Thank you. You have eight minutes, according to the Clerk, starting with Mr. Del Duca.

**Mr. Steven Del Duca:** Thanks very much, Madam Chair. Thank you, Councillor Vaughan, for being here.

This is the government side's first chance to ask questions of you. We've had a chance to hear from a couple of other witnesses here this morning. I do appreciate what you said, and frankly, I appreciate what the other folks who've come before you have said as well.

I just wanted to get a sense of the proportion or the scale of the concern because I think, by and large, what we've heard so far this morning—at least the impression I have—is that this is, proportionately, a significant problem at the city of Toronto, that there is a great deal of angst around this. I'm going to ask you to respond to this in a second.

But when I look at some of the information that I was able to find, I've come across messaging and quotes from individuals who I think understand the planning process at the city of Toronto fairly well. I just wanted to get a sense of what I'm seeing in their comments versus what we've heard from you today and from some of the others who have appeared. I wonder if you could, perhaps, react, because I don't know. I don't have a planning background. I don't have great deal of personal experience when it comes to this stuff—

**Mr. Adam Vaughan:** I might just say, all the more reason for you not to have jurisdiction.

**Mr. Steven Del Duca:** Sure, but then I could also argue that of the 44, there are almost none of you who have any planning experience either, so maybe you shouldn't have jurisdiction either.

**Mr. Adam Vaughan:** It's what we do every single day.

**Mr. Steven Del Duca:** Having said that, your chief planner, the current chief planner for the city of Toronto, Jennifer Keesmaat, says that, "Contrary to what some might believe, the city is not beholden to the OMB, Keesmaat said.... Only 4% of applications end up at the OMB ... a vast majority don't." That's your current chief planner.

She also said that while she's "a firm believer in OMB reform ... she feels doing away with an appeal body is unrealistic" because "it has an important role to play." That's the current chief planner.

Brendan O'Callaghan, a lawyer at the city of Toronto, June 1, 2013: "I win over 80% of my hearings" at the OMB. "I'm pretty happy with the treatment I get at the board."

I'm just wondering why there is that kind of—you understand what I'm asking.

**Mr. Adam Vaughan:** The 80% costs \$80,000 a day to reaffirm what the city made as a decision months earlier. In the interim, community associations have to raise dollars. The development process slows down, waiting for the OMB to kick in, but if 80% of the decisions of the city of Toronto are not overturned by the OMB, why do you need the OMB?

The 20% that are overturned have a devastating—

**Mr. Steven Del Duca:** If I could just ask for a clarification, because from your presentation earlier it seemed to me that the issue was one of, "We're not in a position to make decisions and we are consistently and constantly overruled by this agency, this group," whether it's a person from Vaughan or Kitchener or Sudbury or wherever the case may be. And yet, it would seem that your chief planner is saying that only 4% of all of these matters actually end up at the board.

**Mr. Adam Vaughan:** Okay, let's split out what goes to the OMB and what we win on. We win on the porches nine times out of 10—apparently, eight times out of 10. Those little decisions shouldn't even go to the OMB. In fact, the Local Appeal Body, which assumes that those decisions shouldn't go to the OMB, is exactly the direction we're heading at the city of Toronto.

By and large, what you're doing is, you're creating—at a cost of millions of dollars to the province; \$80,000 a day to the city; thousands of dollars to taxpayers—a layer of red tape that doesn't change a bloody thing. If you don't have other cost pressures to deal with, tell me about it, because we'd love to get some more transit and some more housing built in this province.

But if you're spending millions of dollars to simply rubber-stamp what city council has already decided, certainly that's a waste of money, certainly that's red tape that's unnecessary and certainly it's an unnecessary level of review that doesn't really produce any significant change.

**Mr. Steven Del Duca:** So your concern is less about whether or not decisions are being overruled—

**Mr. Adam Vaughan:** Now let's take a look at the decisions that are overturned, because the bulk of the appeals to the OMB are very minor, and I agree. They come out of the committee of adjustment, but the significant ones are the ones that do the damage. The significant ones are the ones that overturn secondary plans. The significant ones are the ones that, in creating a precedent, leave us in a position where we can't negotiate with the developers.

In the King-Spadina area, the building that I cited that came in at 39 metres, went to 41 metres, went to 44 metres, and is now coming back at 51 metres.

When we're in a position where we're looking at OMB precedent being set at 51 metres, in a neighbourhood where we have never approved anything over 36 metres, we're now in a position where the rational decision is, if we can fight it at the OMB, we're going to lose. So what we start to do is settle, and the OMB starts to lead us in a direction we don't want to go and put us in a position where we're not managing the growth responsibly.

What ends up happening is, we end up negotiating with ourselves. To avoid an OMB hearing where you get an even clumsier decision and perhaps an even more irrational decision with no finesse and no recognition of local conditions, you end up settling because you're

afraid of going to the OMB. Do those numbers start to skew in a certain direction? They certainly do.

**Mr. Steven Del Duca:** You mentioned local appeal tribunals, local appeal bodies—

**Mr. Adam Vaughan:** The Local Appeal Body.

**Mr. Steven Del Duca:** Thank you. When did the province provide the city of Toronto and all municipalities with that ability?

**Mr. Adam Vaughan:** The City of Toronto Act gave it to the city of Toronto and then, months later, the rest of the province.

**Mr. Steven Del Duca:** So, 2006? Was it 2006?

**Mr. Adam Vaughan:** I believe that's right, yes.

**Mr. Steven Del Duca:** Any particular reason it has taken more than eight years now for the city of Toronto to actually move on this?

**Mr. Adam Vaughan:** There was significant resistance in the city of Toronto because of the cost.

**Mr. Steven Del Duca:** Because of the cost?

**Mr. Adam Vaughan:** Because of the cost. The cost, as presented in the current staff report, says it would cost an applicant \$6,000 to appeal a committee of adjustment decision, which, if you're a homeowner looking to put a back porch on your house and you've got neighbours who are contesting it—it's a lot of money for you to decide to go to the Local Appeal Body.

It's a bit of an unfair way to describe the cost. Planning has been very resistant to assume this cost because we're in a position where we have to spend a lot of money at the OMB. We don't have a lot of extra dollars around to spend on things like the Local Appeal Body. I can tell you right now that the previous mayor and the previous council thwarted our attempts to bring it forward. The current chair of planning and the current planning department are moving that agenda forward because we think it's the right way to go.

**Mr. Steven Del Duca:** Any sense how much longer that might take?

**Mr. Adam Vaughan:** It's heading toward committee, I believe, in the summer. Hopefully, that'll put us in a position to put it in place. It's something which I support strongly. It's something which I would have put in place in 2006, and, in fact I moved those motions in my first term at council.

**Mr. Steven Del Duca:** Thank you.

**The Vice-Chair (Ms. Soo Wong):** Two more minutes.

**Ms. Mitzie Hunter:** Thank you, Madam Chair. Councillor Vaughan, you talk about people being afraid for projects to go forward to the OMB; therefore, there's an attempt to get people around the table to avoid that.

**Mr. Adam Vaughan:** To capitulate.

**Ms. Mitzie Hunter:** To capitulate. But you're saying that it's clumsier and it's not optimal. Can you talk about how we strengthen the voice of the local community associations that will, at the end of the day, be impacted by these developments? What do you see—

**Mr. Adam Vaughan:** When you leave planning decisions in the hands of council—and councils are elected

not by developers but by local neighbourhood associations—you have just strengthened the hand of the neighbourhood association. When you create democratically constructed accountability, you strengthen the role and the voice of the citizen.

The way to create strong citizen-led planning is to create a strong city council, and the way you do that is, you make the city council like it is in Vancouver and like it is in Montreal, Chicago, New York, Los Angeles, Boston, Calgary and Edmonton too. You make planning decisions at city hall by directly elected officials. You do not hide behind a court system.

There are councillors who will say no to anything and wink at the developer and say, "Go to the OMB." There are councillors who will say yes to everything to avoid the OMB. But what you end up with are blurred lines as to who's making the decision and how to execute a plan.

It works in the opposite direction as well. When we brought in, along Sheppard, a new set of zoning regulations and a secondary plan to pay for transit and to operationalize and cover the cost of operating transit on Sheppard, it was immediately repealed by the local community. As a result of that, what ended up happening was, you ended up with a transit deficit.

**Ms. Mitzie Hunter:** Right.

**Mr. Adam Vaughan:** If you could impose a transit plan and planning simultaneously and remove it from appeal and remove it from being tinkered with constantly for political reasons without clear lines of accountability, you may find a way to actually pay for transit as an operating phenomenon in this province.

**The Vice-Chair (Ms. Soo Wong):** Thank you, Councillor Vaughan. Thank you for your presentation. We're finished with you. Thank you for the day.

#### GREATER BEACH NEIGHBOURHOOD ASSOCIATION

**The Vice-Chair (Ms. Soo Wong):** Our next witness is the Greater Beach Neighbourhood Association. I believe it's Jan Hykamp.

**Mr. Jan Hykamp:** Jan Hykamp and Jeff Levitt.

**The Vice-Chair (Ms. Soo Wong):** And then Jeffrey Levitt? Am I correct?

Good morning. Can you say your name on the record? You have 15 minutes for your presentation. This round of questions will be by the official opposition party.

0950

**Mr. Jan Hykamp:** Right. Madam Chair and committee members, thank you for listening to us. My name is Jan Hykamp. I'm a co-founder and current president of an umbrella association of neighbour groups in the Beach area in Toronto by the name of the Greater Beach Neighbourhood Association, or GBNA.

With me is Jeff Levitt, who is a vice-president of GBNA and who will be presenting to you.

**Mr. Jeffrey Levitt:** Thank you, Jan. Also, thank you to the committee for the opportunity to make a presentation on Bill 20 on behalf of the GBNA, our organization.

Our organization has provided some written submissions to the committee. We're not sure if these have been circulated.

**The Vice-Chair (Ms. Soo Wong):** Yes, we have it.

**Mr. Jeffrey Levitt:** Thank you very much.

Our purpose today isn't to repeat what is in our submission but to summarize the key points and in particular to convey to the committee just how strongly our community feels about restoring accountability of Toronto city council for land use planning decisions by removing the pervasive oversight of the Ontario Municipal Board, picking up on the point made very well by the previous witness, Councillor Vaughan.

I'll very briefly introduce GBNA, explain to the committee why we felt it important to be here and then briefly summarize our position on the bill.

Information about our organization is presented in section 3 on pages 8 and 9 of the written submissions. Basically, GBNA is an umbrella group of multiple resident associations in the greater Beach area of the city of Toronto. We currently are composed of seven member organizations. The objectives of GBNA focus largely on land use planning matters. We're concerned with land use planning policies as they impact our area. We're involved at the level of individual developments in ensuring that they're consistent with applicable planning legislation and policies. We're also involved in encouraging public participation in local land use policy issues.

I'd like to explain now why GBNA felt it important to be here at the committee. I'll summarize what is explained more fully in section 2(a) of our submission, at pages 2 and 3. Basically, as I've indicated, GBNA is involved on behalf of the local community in land use planning issues in our area, including involvement with a number of recent redevelopment projects. We have found through this experience that the role played by the OMB in the land use planning process has been extremely frustrating for residents. As you have heard from previous witnesses, the extensive appeal rights to the OMB of city planning decisions mean that the OMB casts a very long shadow over the entire process of the city's consideration of land use planning development proposals.

As well, as you've also heard from previous witnesses, the extremely high cost of effective participation in OMB appeals means that participation is, for all intents and purposes, beyond the capacity of resident associations. The result of all of this is that the focus of the approval process for new developments effectively becomes the Ontario Municipal Board and not city council. We have a corresponding lack of perceived accountability of council for these land use planning decisions.

Bill 20 addresses this issue of accountability of city council for land use planning decisions straight on. That's why we're here to present our perspective and the perspective of residents.

To explain briefly our position on Bill 20, an overview is provided in the executive summary in section 1, on pages 1 and 2 of our written submissions. Basically,

GBNA strongly supports the two important principles of Bill 20. The first is the need to ensure accountability for decisions in the land use planning area by making city council the ultimate authority for these decisions except where council determines that an appeal is appropriate. The second principle we support is that the city is fully capable of carrying out the regulation of land use planning without pervasive OMB oversight. As well, having reviewed the Hansard at second reading, GBNA agrees with the many members who spoke out about the fact that the appeal process has led to great frustration on the part of their residents and needs reform.

Moving to our position on Bill 20, I think we can summarize it by saying that GBNA supports the goal of Bill 20, which is to make city council the ultimate authority for land use planning decisions in the city. We take this position for two reasons. The first one is that the pervasive rights of appeal to the OMB lead to the focus being shifted to the municipal board. The second reason we take this position is that we support the view that the city is fully capable of taking on this responsibility.

You've heard already from previous witnesses how the pervasive rights of appeal of the OMB lead to the perception that city council is not, in fact, the ultimate decision-maker on land use planning matters. This is discussed more fully in section 2(c) on pages 3 and 4 of our submission, but just to summarize, it has been our experience—the reason we believe that the OMB is the focus is because on appeal, the OMB can change council decisions, as was the experience in the last two developments we had in our area. City council never even had a chance to make the decision; it went straight to the OMB. There was no issue there of us trying to influence council because it went straight to the OMB upon the expiry of the statutory period for making a decision.

Third—and I'd like to again emphasize what the previous witness, Councillor Vaughan, had said: that decisions may, on paper, appear to have been made by council, but they were made under threat and duress of an OMB appeal, resulting in compromises being made by the city that they might not otherwise have made.

All of this leads, then, to the feeling that councillors in our city do not really have full control for planning decisions. The locus of the decision is, in fact or in essence, the Ontario Municipal Board, and that is the reason that we support the removal of OMB appeals for land use policy decisions and authorizing city council as well to determine appropriate appeals, as this will make clear that the responsibility for these decisions is with city council.

What we are really looking for is a situation where the city council can truly put out the sign "The Buck Stops Here" as far as land use planning decisions are concerned, and we will hold them appropriately accountable. That's not the situation today, but that would be the situation with Bill 20.

Very quickly, moving to the second aspect of Bill 20, it's predicated on the fact that the city is fully capable of exercising these land use planning policies without

pervasive OMB oversight. We have discussed this in more detail in section 2(d) on pages 4 and 5 of our materials, but we believe that the city is capable of this responsibility for two reasons. The first one is consistent with the City of Toronto Act and the second one is the experience in other jurisdictions.

As far as the City of Toronto Act is concerned, on page 5 of our submission we've reproduced an extract from the preamble to the City of Toronto Act. I will read just one of the sentences from that preamble: "The assembly recognizes that the city is a government that is capable of exercising its powers in a responsible and accountable fashion." GBNA agrees fully with the assembly on this point. The city, as a government, makes many important decisions across the board without oversight from appeal to a tribunal such as the OMB. We believe that the city is also capable of exercising its land use planning powers without pervasive oversight of the OMB.

The second reason that we believe and are confident that the city is fully capable of operating in the land use planning area without OMB pervasive appeals is the experience in other jurisdictions, which you have heard about already from previous witnesses. We have some examples ourselves in footnotes 9 and 10 on page 5, but for our purposes, we think the best way to sum up this issue—we'll limit ourselves to quoting from the remarks in second reading debate of Bill 20 by Minister Murray, the former mayor of Winnipeg. These are reproduced on footnote 8 on page 5, but I quote from his remarks in the debate:

"I have ... lived in ... and been the mayor of the city that is the capital city of the next province over. Miraculously, we don't have an OMB. We didn't have an MMB. And the world didn't fall apart. Development happened. Developers were happy. It wasn't anti-development."

Quite simply, our position is that if other municipalities in Canada are capable of operating and making land use decisions responsibly without OMB oversight, surely the city of Toronto is equally capable.

1000

Finally, I would just like to address the issue of the role which the OMB plays, particularly from the perspective of resident organizations. We noticed, in reading the debate on second reading of Bill 20, that virtually all of the members who spoke—virtually all of them—expressed the view that the current OMB appeal system has led to a great deal of frustration on the part of their constituents, and needs reform. Many of the members who spoke also expressed the view that in their experience and that of their constituents, the OMB results in an uneven playing field that favours parties with deep pockets.

Some of these views are reproduced on page 6 in footnote 12. We have expanded in section 2(e) on our reasons why we agree completely with the views expressed by, again, virtually all of the members in the second reading debate, because they have been effectively made before, particularly in terms of the cost of OMB

appeals being completely out of reach of resident associations. We will rely on testimony you have heard and which, no doubt, you will hear, and our written submissions. But we would like to reaffirm our view that the system of review and appeal of municipal land use planning decisions in the province definitely needs reform. We believe that a very good start on this reform comes with Bill 20, which gives the city the ultimate authority for land use planning decisions, and gives the city the authority to decide what decisions should be appealed.

Those are our comments. Thank you very much again for the opportunity.

**The Vice-Chair (Ms. Soo Wong):** Thank you. You now have three minutes for the official opposition to ask you some questions. Mr. McDonnell.

**Mr. Jim McDonell:** One issue we have with this bill is that it abolishes the OMB without a legal solution. So it forces decisions to go to the courts. The whole idea of the OMB is to try and reduce costs, even though it is expensive. Any idea on that?

**Mr. Jeffrey Levitt:** I guess the answer to that might be to repeat the testimony, some of the previous remarks, that what you're describing must be the situation in many other provinces, and apparently it doesn't seem to be the problem that people think it would be. In any event, Bill 20 does allow the city to selectively choose where appeals are appropriate. So in some ways, I might answer your question by saying that you're presenting a problem which experience in other jurisdictions has shown doesn't exist. If anything, the problem is the reverse: having the OMB.

**Mr. Jim McDonell:** There's no question there needs to be some work done on this. There needs to be a proposed solution. It always gives the ability to go to courts. That's something that the City of Toronto Act doesn't circumvent. Certainly that would become a very common option if the OMB is abolished. It makes it very expensive, and I think that is a concern.

**Mr. Jeffrey Levitt:** Whether or not it would be a common occurrence is probably a factual question, and we have heard testimony that factually, it's not in fact a common occurrence. There's a supposition that it might be, but I would submit that the evidence indicates the opposite; that in fact it is not a common occurrence.

**Mr. Jim McDonell:** So would there be some idea that there needs to be some work done beyond this bill? I think we need a solution. We need something that's well thought out. We just have a little concern if you abandon a system without a solution. I think something as important as the planning of the city of Toronto is worthy of some consultation, working with the—

**Mr. Jeffrey Levitt:** I guess I would just answer that I hope that I haven't been unclear in the remarks. We think the solution is giving the city ultimate authority without pervasive supervisory oversight, as is the case in many other jurisdictions.

**The Vice-Chair (Ms. Soo Wong):** Thank you, Mr. Levitt, for your presentation. Thank you, Mr. Hykamp, for your presentation.

### MIMICO RESIDENTS ASSOCIATION

**The Vice-Chair (Ms. Soo Wong):** Our next witness is from the Mimico Residents Association: Mary Bella. Welcome.

**Ms. Mary Bella:** I've got a letter to distribute.

**The Vice-Chair (Ms. Soo Wong):** The Clerk will distribute that, please.

You have 15 minutes for your presentation, Ms. Bella. This round of questions will be by the official third party. Welcome.

**Ms. Mary Bella:** Thank you.

**The Vice-Chair (Ms. Soo Wong):** You can start.

**Ms. Mary Bella:** My name is Mary Bella, and I'm here as a director on the board of the Mimico Residents Association, the MRA.

We request your support for the private member's bill sponsored by MPP Rosario Marchese, namely Bill 20, the Respect for Municipalities Act.

The extremely tall and high-density building developments in the Humber Bay Shores area, just east of Mimico, were approved by the Ontario Municipal Board without community consultation. They far exceeded the guidelines established in the secondary plan for that area. There was a maximum 24-storey guidance in only two specific locations in the secondary plan—the rest of the locations were shorter buildings than that—but many more, and much higher—40 to 66 and more storeys—development applications were approved.

The MRA, on behalf of local residents, is very concerned that the recently completed secondary plan for Mimico-by-the-Lake could be similarly affected by OMB decisions. We fear justifiably that the height restrictions will continue to be exceeded in development applications. It is amply demonstrated that exceptions to community and city plans are routinely granted by the OMB without community consultation.

The MRA hopes that exempting Toronto from the OMB jurisdiction as per the conditions described in Bill 20, and the formation of a local appeal body, will help uphold city planning frameworks, policies and community improvement plans.

Most importantly, appointees to these bodies should go through the public appointment process and not be arbitrarily picked on a political or lobbied basis.

Bill 20 could contribute to ensuring that approved development plans are appropriate to the infrastructure and built form of the surrounding area and could provide further opportunities for community consultation on special allowances in height and density.

Thank you.

**The Vice-Chair (Ms. Soo Wong):** Thank you very much for your presentation. We have, for this round of questions—we have 12 minutes. Mr. Marchese.

**Mr. Rosario Marchese:** Thank you, Mary, for your presentation. You're hearing some of the objections because—and the objections come from many sectors, in fact, including developers, I think, who like the current system.

My bill does say exactly what you just said: that the city can set up a local appeals body. It enables them to do so. They don't have to, but they could have the court system as the other option, which, by the way, in my view would be an acceptable process as well, because if the city has a good planning process—which they're bound to respect all the provincial policy, the policy plan—good heavens.

*Interjections.*

**Mr. Rosario Marchese:** The provincial planning statement. The Planning Act. They're bound by law to respect that; they have to conform to that. So if they have a right process, if they have to obey the law, in my view, I think the politicians and the communities would be respected and will follow a process that I think is something that everybody can agree to. Is there something about that that you think is complicated?

**Ms. Mary Bella:** No. I know that in Mimico we went through a very extensive consultation process for our secondary plan for Mimico-by-the-Lake. It took years; it took a lot of money and planning and a staff of people that dealt with that secondary plan. I think what we're fearing now is that the OMB will come in and basically it will be null and void because the developers can go to the OMB and get exactly what they want.

**Mr. Rosario Marchese:** You see, the argument that some of us make is that to go to the OMB is not an easy process. They might argue that all you have to do is pay a small fee and that it's easy. Many have told us that it's not an easy process, that it's a highly litigious place, and that you really have to have lawyers there to defend your interests; otherwise, if you're there on your own it's going to be pretty tough. It can be incredibly expensive, as you've just said and as another deputant said. So it's not cheap for residents when they want to defend themselves.

1010

Do you believe that accountability is better placed in the hands of a city council, where you have a role to play in terms of having a say there, versus this other appeal system at the OMB, where it's hit and miss, where developers have deep pockets to hire the best planners and the best lawyers? Where do you think the community interest is best served?

**Ms. Mary Bella:** Well, obviously, with the elected council. That's their job: to represent us and to set up systems where we can actually have a say in what happens with development.

**Mr. Rosario Marchese:** Thank you, Mary.

**The Vice-Chair (Ms. Soo Wong):** Mr. Prue?

**Mr. Michael Prue:** I have a number of questions. The Mimico Residents Association: Have you ever been forced to go to the OMB on past developments?

**Ms. Mary Bella:** At this point, our neighbourhood is in transition, so we haven't had a lot of development applications come forward yet. So, no. There have been a couple that have gone to the OMB, and so far I believe one building was granted 11 storeys in the avenue that was meant to be five to nine storeys. So the precedent has started to be set on Lake Shore Boulevard, which is part of our Mimico secondary plan already granted by the OMB.

**Mr. Michael Prue:** You said that it took years to develop a secondary plan, and you're fearful that the OMB is just going to not pay any attention at all.

**Ms. Mary Bella:** Correct.

**Mr. Michael Prue:** This has been my experience in the Beach, and you just heard the people from the Beach. They have a secondary plan. They have a brand new plan that the city has developed and keeps working on historical plans and everything else, and the OMB pays absolutely no attention to it because they don't have to, because the law is very clear. When the government passed this law, they have to pay attention to—I think that's the word—

**Mr. Rosario Marchese:** Have regard to.

**Mr. Michael Prue:** Have regard to, which means nothing. Is that what you anticipate is going to happen: that they will have no regard to the city at all?

**Ms. Mary Bella:** That's our main concern, yes.

**Mr. Michael Prue:** Your association: Have you started collecting a war chest to fight all of this?

**Ms. Mary Bella:** Well, this is the issue.

**Mr. Rosario Marchese:** Good luck.

**Ms. Mary Bella:** Yes. Exactly. We're not blessed with a demographic in our area, like Humbertown area, where there is a very wealthy density of people who can gather together and gather funds and get legal counsel. We are a very mixed community, so we're doing our best, but we're not going to have the means to hire lawyers and do traffic studies and wind studies and all these things that developers can have access to.

**Mr. Michael Prue:** Now, this secondary study that was undertaken suggested that height restriction should be at what, along the motel strip?

**Ms. Mary Bella:** I believe 24 stories was the maximum. There is now a development that has been approved at 65 stories, which has been—we got, actually, an advertisement in our *Globe and Mail* last spring that said "breathtaking." It certainly did take my breath away. Sixty-five storeys, and apparently it's the tallest waterfront condominium in Canada, if not North America.

**Mr. Michael Prue:** Okay. Why was the secondary plan, of which you were a part—why did they come in at 24 storeys? Was that to preserve the neighbourhoods?

**Ms. Mary Bella:** The Humber was 24 storeys, but, actually, in the Mimico secondary plan, I believe the tallest is 25.

**Mr. Michael Prue:** Okay. Why was this fought for by the residents? Is it to preserve the skyline so you can actually see some of the lake?

**Ms. Mary Bella:** Well, yes.

**Mr. Michael Prue:** What was the reason behind the—

**Ms. Mary Bella:** Well, a lot of it is also the density within the area—the concern that the area can't support 10,000 or 20,000 more residents streaming onto Lake Shore Boulevard, especially in Humber Bay Shores. The projections now are that they're going to be 24,000 residents in the Humber Bay Shores area, where right now there may be 2,000 or 3,000. So it's 10 times the amount of residents coming on to an on-ramp to get onto the highway. Just that alone is a huge concern. Of course the infrastructure, the schools, the libraries, all the parks—there's just a huge concern that there doesn't seem to be a balance between the needs of the residents in the surrounding area and what's happening with these developments.

**Mr. Michael Prue:** With the Etobicoke—I think it's the Etobicoke York Community Council—

**Ms. Mary Bella:** Yes.

**Mr. Michael Prue:** Yes. These would be the councillors—for those outside of Toronto—from the former city of Etobicoke plus the former city of York. I guess there would be maybe eight or 10 of them in total. Are they on board with the official plan or the secondary study?

**Ms. Mary Bella:** With the secondary plan? Yes, I think so. There is some concern that there's still a wide gap between the residents that wanted five to 10 storeys and the developers that want 40 or 50. I guess they think they've found some middle ground that hopefully there will be enough incentive for development.

**Mr. Michael Prue:** Okay. That middle ground, though, does not appear to be at all to the liking of the developers, who want to build the 65-storey, breathtaking view?

**Ms. Mary Bella:** No; exactly.

**Mr. Michael Prue:** And your position and your opinion is that the OMB will go running to them?

**Ms. Mary Bella:** They'll go running to the OMB.

**Mr. Michael Prue:** Well, they'll go running to the OMB and the OMB will go running to embrace them.

**Ms. Mary Bella:** Correct, yes.

**Mr. Michael Prue:** Have I got any time left?

**The Vice-Chair (Ms. Soo Wong):** You've got four more minutes.

**Mr. Michael Prue:** Four more minutes. I want to ask a question, because I sat here—I think, in this very seat—and you were sitting in the very seat of the former OMB chair when she came to defend the Ontario Municipal Board before a committee of this Legislature. I will never forget what she had to say that day. I asked her, "What do you think your primary role is?" Her response was, "My primary role is to facilitate development and developers." I never forgot that

**Ms. Mary Bella:** That's revealing.

**Mr. Michael Prue:** That's revealing.

*Interjection.*

**Mr. Michael Prue:** A good answer, you say?

**Mr. Steven Del Duca:** No. I said, do we have a Hansard of that?

**Mr. Michael Prue:** Oh yes, we have a Hansard of that. We have a Hansard—

**The Vice-Chair (Ms. Soo Wong):** Let's not crosstalk. This is questions for the witness.

**Mr. Michael Prue:** Okay, but we have a Hansard of that.

She is gone. There's a new one. But do the residents feel that she captured—is that what you think the OMB does?

**Ms. Mary Bella:** It certainly seems that way. In Mimico and Humber Bay Shores, because it's very prime waterfront property—maybe this isn't the case in districts that are further away from this really desirable land, but certainly in Mimico, it seems that there is shooorning as many taxpayers as possible into a small area. In Humber Bay Shores, there wasn't quite the resident base in that particular area of involved residents the way we have in homeowners in Mimico. There wasn't quite as much vocal opposition at the time.

We're being as vocal as we can, but the OMB doesn't give us a voice. That's the main issue.

**Mr. Michael Prue:** Have any developers ever threatened yourself or your membership or your organization or other people you know with SLAPP suits if you oppose their application?

**Ms. Mary Bella:** We're certainly aware of that possibility. We took out liability insurance two or three years ago just for that concern.

**Mr. Michael Prue:** How much does that liability insurance cost you?

**Ms. Mary Bella:** It's basically our whole budget.

**Mr. Michael Prue:** Your whole budget. The reason I ask that is—

**Mr. Rosario Marchese:** Which is what?

**Ms. Mary Bella:** It's \$1,000 a year. We don't have a big budget.

**Mr. Michael Prue:** Okay, so your whole budget for your association is taken up with liability insurance—

**Ms. Mary Bella:** Pretty much.

**Mr. Michael Prue:** —because you are fearful of being slapped with a suit?

**Ms. Mary Bella:** Yes, I would say that's one of the main concerns. We have to be careful also with events and things like that, that we're not liable.

**Mr. Michael Prue:** Okay. Because they do happen. I am currently the subject of a SLAPP suit for having the temerity, the unmitigated gall, of taking the developer at my cottage to the OMB for a one-day hearing.

**The Vice-Chair (Ms. Soo Wong):** Mr. Prue, one minute.

**Mr. Michael Prue:** I recognize what you're saying. I think that's all the questions. Do you have any?

**Mr. Rosario Marchese:** I think we had enough.

**Mr. Michael Prue:** I think we have. Thank you so much for your contribution.

**Ms. Mary Bella:** It's my pleasure.

**The Vice-Chair (Ms. Soo Wong):** Thank you, Ms. Bella.

Can I just remind the committee: We have a long list of witnesses this afternoon. Can we please come promptly at 2 o'clock, because we may have to recess a bit for a vote this afternoon? So please return for 2 o'clock. We are now recessed until 2. Thank you.

*The committee recessed from 1019 to 1401.*

**The Vice-Chair (Ms. Soo Wong):** We're going to start the meeting, because timeliness is important. We're resuming the Standing Committee on Finance and Economic Affairs, dealing with Bill 20, An Act respecting the City of Toronto and the Ontario Municipal Board.

#### MS. ROS FELDMAN

**The Vice-Chair (Ms. Soo Wong):** We have the first witness here at 2 o'clock: Rosalind Feldman. I think this round of questions is to the government side. I hope they're ready. Mr. Del Duca? The government side.

**Mr. Steven Del Duca:** We're up next?

**The Vice-Chair (Ms. Soo Wong):** Yes.

**Mr. Steven Del Duca:** Thank you, Madam Chair—

**The Vice-Chair (Ms. Soo Wong):** No, no, no.

Ms. Feldman, you have 15 minutes for your presentation. At the end of your presentation, if time permits, it's the government side that will ask you questions.

**Ms. Ros Feldman:** Okay.

**The Vice-Chair (Ms. Soo Wong):** Welcome. Can you state your name for the record, please? Thank you.

**Ms. Ros Feldman:** I will. Good afternoon, Madam Chair, ladies and gentlemen, and members of the public. I appreciate being allowed to speak to you today. You have heard a lot about Toronto. Unfortunately, Toronto has not been the only city to be held hostage to the whims and bad decisions made by the OMB.

My name is Ros Feldman, and I am speaking to you today on behalf of Mayor Fennell, the city council, the region of Peel and, most importantly, the residents and members of Stop Heart Lake High-Rises.

I have lived in the village of Heart Lake, and Brampton, for 37 years. It's a lovely place of approximately 8,000 beautiful, well-kept single-family homes. We have no building taller than three storeys. We have a small, two-sided strip mall—each side owned by a different developer—a lovely little library and a recreation centre.

We also have a nine-acre lot that was originally supposed to house a school, until it was discovered that it flooded in the winter and the land was unstable. It fronts onto Loafer's Lake, which at least three or four times a year overflows its banks, making walking around it impossible without your wellies.

Some 30 years ago, a developer wanted to put four high-rises on this piece of land. We—city council and the residents—fought the proposal, but the land was re-zoned for two 18-storey high-rises of 419 units. However, the developer decided not to build on the land. The land lay fallow, and life went on.

Fast forward to February 8, 2007: A developer presented to council a plan to have the land rezoned again so he could build one 32-storey high-rise, two 26-story

high-rises, three 20-storey high-rises, one 18-storey high-rise and a seven-storey commercial building and surround it all with 42 work-live townhouses—all this on nine acres of land. The density was so large that it was ridiculous.

Before council or the planning department could even send the plans back to the developer with a decision, it was taken out of our hands when the developer went to the OMB. An appeal was instigated on January 24, 2008. Brampton council, naturally, were furious. I'm not going to tell you how we, the residents, felt because I'd be bleeped out of here. Hearings were held under the auspices of Madam Seaborn of the OMB. We, the residents, were given one morning to speak to this disaster.

Ms. Wong, we do not have the infrastructure to support this monstrosity in the centre of our village. We do not have the roads, as there would only be one entrance and one exit out of this high-rise conglomerate onto a very busy main road, as one side leads out to a lane and the back leads into the water, the Etobicoke Creek and Loafer's Lake. We do not have the schools, hospital space, fire department, police department or stores to accommodate this massive influx of people.

We, the residents, appealed to the Premier but were blocked from seeing or meeting with him by our own MPP, Linda Jeffrey. However, we did have friends: Mr. Marchese and Mr. Prue of the NDP and Mr. Chudleigh of the PCs. With their help, we put together a thick book showing the area, the roads, the schools with the portables already on the land and various other pictures along with a petition signed by over 14,000 households, as not just our neighbours signed, but the surrounding areas knew what the massive project would mean to the road—the only road out of Caledon, Georgetown and Heart Lake—the 410.

We invited Vice-Chair Madam Seaborn to visit Heart Lake before making her decision: "Come and see where we live. Speak to the people. Take a walk around. Then tell us that this monstrosity is not a mistake and that it fits in." Did she take us up on our offer? No. Did she listen to our appeal? Well, maybe with half an ear, as it became painfully obvious that she was nothing more than a rubber stamp for the developer. Oh, she made one big decision. She cut the tallest building down to 26 storeys from the 32 original and the total units from 1,142 down to 934, which was really nice of her.

We held rallies. We were written up in all the newspapers. We marched on Queen's Park. We took out ads against this over-intensification of our tiny village. But after nine weeks of hearings, what was the impression that was taken away by Madam Seaborn? Nothing. She gave the go-ahead to destroy our village.

Madam Wong, Brampton has a growth plan and a wonderful planning department. We live in the 21st century, not in the 18th century when no city had a planning department, and had to trust the OMB to do the right thing. Things have changed. How, in this day and age, can one person overrule the wishes of everyone who lives here? How can she claim that there is no difference

between two 18-storey high-rises and seven multi-storey high-rises?

The OMB has gotten out of hand and seemingly anything a builder says is okay with them while the wishes of, and the effects it has on, most of us aren't even taken into account. Brampton people must be allowed to make Brampton choices and not be dictated to by outside forces that do not even live here.

1410

I want to thank you for the opportunity to put forward our side of the story. We are fully in favour of Bill 20 and the dissolving of the OMB. Thank you.

**The Vice-Chair (Ms. Soo Wong):** Thank you, Ms. Feldman. There are seven minutes for the government side. Ms. Hunter, are you going to take the lead?

**Ms. Mitzie Hunter:** Yes. Thank you, Madam Chair, and I want to thank Ms. Feldman for appearing in front of the committee today.

I wanted to ask you if you had had an opportunity to participate in the Ministry of Municipal Affairs and Housing land use planning consultation. Did you have an opportunity?

**Ms. Ros Feldman:** Yes, we did. We had one morning. Of nine weeks of hearings, they gave us one morning.

**Ms. Mitzie Hunter:** Okay. In terms of the voice of the community, what do you believe should be the appropriate way that that is brought forward in a development context?

**Ms. Ros Feldman:** We have a planning department. We have a very good planning department. We have a growth plan for the area that wasn't even taken into account. That land, as I say, lay fallow for 30 years. It is zoned for two high-rises, and we are all in favour of these two high-rises. Personally, I would rather see an old-age home put in there, which is what we badly need, or townhouses or something of that effect that fits into the area.

This was so intense and so pushed together that it was just ridiculous. Of nine acres, there's actually only seven acres that you can build on, and on seven acres, they wanted to put seven high-rise apartment buildings, which left three spaces above ground for visitor parking, two of which are mandated that they have to be for disabled parking, so there's one space. Where are people going to park? At the mall, at the rec centre and the library.

**Ms. Mitzie Hunter:** When disputes arise, because we're talking about the needs of the community and perhaps a private developer wanting to maximize their opportunities, what would be the process that you see in resolving those disputes?

**Ms. Ros Feldman:** Some people have come up with the idea of having a separate body that the developers can go to and the people can go to, that has an overall effect. Unfortunately, with the OMB, it's a quasi-judicial body that has got no oversight. Nobody seems to know who the hell is in charge of it, because when you try and find out, everybody passes the buck. You need to have something where people have got a voice—where the people have got a voice, where the developers have got a voice

and where city council and the planning department have a voice. We don't have that at the OMB. We're literally cut off. The developer goes to the OMB. He decides or she decides what is going in. What is the point of us paying for a planning department when it can be overridden by the OMB? What is the point?

**Ms. Mitzie Hunter:** So you believe that there needs to be a body that helps to resolve these disputes—

**Ms. Ros Feldman:** Actually, no, I don't. I said that other people seem to think there should be a body. I think it should be left to city council, who we can vote out if we don't agree with them.

**Ms. Mitzie Hunter:** Okay. What would be the role of community groups in that?

**Ms. Ros Feldman:** I think the community groups have a major role. Let's face it. We all have to live together. We all have to live in a community, and communities are built around the people. Okay? You cannot put seven high-rises plunked down in the middle of a small village. You just can't do that. The intensification is ridiculous. If she had turned around and said, "No. Let's bring it back down to something that is manageable," we would probably have gone with it, but she didn't. She has basically rubber-stamped everything that the developer asked for, and that's wrong.

**Ms. Mitzie Hunter:** I just want to confirm, because I thought you had said that there should be a separate appeals body—

**Ms. Ros Feldman:** No. I said other people feel that there should be a separate appeal—

**Ms. Mitzie Hunter:** So you don't believe that there should be a separate appeal body?

**Ms. Ros Feldman:** If that's what they need, I'm willing to go along with that. Personally, my point of view, it should be the planning department and the council of where you live that should make the decisions.

**Ms. Mitzie Hunter:** Are you aware if Brampton has an official plan?

**Ms. Ros Feldman:** Absolutely, we have an official plan. We have a 10-year plan and we have a 25-year plan. Which plan do you want?

**Ms. Mitzie Hunter:** The official plan.

**Ms. Ros Feldman:** Okay. Well, as I say, we have two plans. We have a 10-year plan and a 25-year plan that mean nothing when the OMB gets a hold of it.

**The Vice-Chair (Ms. Soo Wong):** Two more minutes, Mr. Del Duca.

**Mr. Steven Del Duca:** Thanks very much, Madam Chair. Just out of curiosity, do you happen to know off the top of your head what percentage of the issues or cases from Brampton end up at the OMB? And I'll tell you why I'm asking that question. Earlier today, there was someone else who was here before committee and I had the chance to ask the question, because this is actually a bill—I'm not sure if you're aware or not—that only deals with the city of Toronto. It doesn't affect Brampton or Vaughan.

**Ms. Ros Feldman:** It should. That's why I'm here.

**Mr. Steven Del Duca:** Just so we're clear about that. That's number one. Number two, what I asked the gentleman who was here earlier today was: When the city of Toronto's own chief planner says that only about 4% of cases actually make it to the OMB in a city like Toronto—I'm just curious if you happen to know how many cases in Brampton, as an overall percentage—

**Ms. Ros Feldman:** About 6%.

**Mr. Steven Del Duca:** About 6%? So 94% of all issues don't actually end up at the OMB in Brampton.

**Ms. Ros Feldman:** Exactly. We manage to work it out ourselves. The one thing that the OMB did do—

**Mr. Steven Del Duca:** Actually, if I can just ask this question.

**Ms. Ros Feldman:** Sure.

**Mr. Steven Del Duca:** From a proportionality standpoint, what you're seeking is to be here to support a measure that would dramatically change the way the system works for 6% of all planning matters in the city of Brampton.

**Ms. Ros Feldman:** Yes.

**Mr. Steven Del Duca:** Okay. I just wanted to make sure that was clear. And in this bill's case, it's not a particular bill that will affect your municipality.

**Ms. Ros Feldman:** I think it should affect all the municipalities.

**Mr. Steven Del Duca:** But this one doesn't. The one you're here to speak to today doesn't touch your municipality, right?

**Ms. Ros Feldman:** But that's what I'm saying: I think it should.

**Mr. Steven Del Duca:** Perfect. Thanks very much, Madam Chair.

**The Vice-Chair (Ms. Soo Wong):** Thank you very much, Ms. Feldman, for your presentation.

**Ms. Ros Feldman:** Thank you.

#### MR. KYLE RAE

**The Vice-Chair (Ms. Soo Wong):** The next speaker is Mr. Kyle Rae. While Mr. Rae is coming forward, I just want to remind the committee: There may be a vote this afternoon—I'm just watching this piece—so we need to be mindful.

Mr. Rae, welcome.

**Mr. Kyle Rae:** Thank you.

**The Vice-Chair (Ms. Soo Wong):** Can you identify yourself for the record, please? You have 15 minutes for your presentation. This round of questioning will be coming from the official opposition party.

**Mr. Kyle Rae:** I am Kyle Rae, and I just thought I would pass on that we've just been seeing a recording of the fact that Jim Flaherty just passed, one of your previous members.

**The Vice-Chair (Ms. Soo Wong):** Yes, he just passed away.

**Mr. Michael Prue:** What?

**Mr. Steven Del Duca:** He passed away.

**Mr. Michael Prue:** Oh, my God.

**The Vice-Chair (Ms. Soo Wong):** Can we do the presentation? We have 15 minutes. Thank you.

**Mr. Kyle Rae:** This is a highly personal perspective of the planning process, and as such, it often feels like I'm talking about inside baseball as well as a little bit of whistle-blowing. So I apologize in advance for these comments being maybe a little bit obtuse or polemical; they're not. Usually, I wouldn't read my notes, but given how complex planning issues are, I thought it would be better to read this.

Despite my remarks in this presentation, where I speak about the necessity of the OMB, I have frequently disagreed with the decisions of the OMB. Even prior to being elected in 1991, I was well aware of the relationship between city council, the planning department and the OMB, as I was very much involved in a very controversial project at 95 Wood Street. From December 1991 to 2010, I was heavily involved in the planning approval process. Prior to amalgamation in 1998, I was a two-term member of the land use committee, which dealt with all applications across the old city of Toronto. After amalgamation, I dealt with planning issues on the Toronto and East York Community Council, which I chaired for two terms.

In addition to being involved in the approval process for 19 years, the constituency I represented in downtown Toronto experienced an enormous amount of development over the years—affordable and co-op housing until 1996, numerous condos after 1998 and commercial as well as institutional development, such as five new faculty properties at Ryerson University.

The planning process is a delicate balancing of interests. Municipalities desire private sector investment and housing in their communities. The planning department applies its professional knowledge and experience in evaluating the planning applications it receives. Residents organize and comment on the plans that are submitted for approval. Councillors deal with all three—residents, planning staff and developers—to determine the appropriateness of a given project. Pressure is brought to bear on council by both developers and residence associations, or constituents. While the planning department may feel assured about the efficacy of a project, the department realizes that the councillor will do as she or he has determined to do.

Over the years, I have witnessed councillors decide that the vocal position of their constituents is the safest and easiest course of action, even if the planning staff have written a positive report. Whether or not the councillors support the application, even if the councillor's colleagues are fine with the project, it is my experience that members of council frequently will appease their constituents rather than support the professional opinion of staff and their own personal judgment. I cannot tell you how often I have watched from the floor council tactics employed by my colleagues to manage the expectations of their constituents. I guess it is understandable. After all, they are elected.

1420

I have watched as projects supported by a positive staff report would be opposed by the ward councillor, but that same ward councillor would have quietly given a green light to other councillors that they should not support his refusal motion. Councillors in the room would, by word of mouth, let each other know that it was okay not to support the councillor's refusal motion. All this theatre makes it appear to the opposing residents that their ward councillor is doing as he has been directed.

I have watched as councillors have, in an almost kamikaze fashion, opposed a project that has overwhelming support of the planning staff and meets the goals of the official plan and the zoning bylaw. A ward councillor armed with a roomful of angry residents can rally his or her colleagues to support a valiant opposition to a staff-supported application.

In the case of one such debate, which was the One Sherway place, which is frequently referred to in Aaron Moore's *Planning Politics in Toronto*, the councillor from the neighbouring ward took up the cudgel against the project with a roomful of traffic-fearing constituents and swayed city council to support his refusal motion, despite strong planning support and support of the local councillor. The result of the vote surprised many on council. In conversation with my colleagues, I found that they did not think the project was a bad one. In fact, they could have supported it. Most telling, though, many of my colleagues just shrugged their shoulders and said that with a positive planning report and the support of the local councillor, the application would be approved at the OMB as the city council refusal could not be justified. So I ask you: Without an OMB to review such council decisions, how will sound planning proposals get approval?

Can you imagine how many affordable housing, supportive housing and co-op housing units would not have been built in the 1980s and 1990s in the city of Toronto if it had not been for the OMB overriding city council's refusals based on opposition of residents' groups? They would not have been built. Housing the city desperately needed and still needs today—I'd like to make my point: It's disgraceful that we still do not have an affordable housing program in this province. I would watch as councillors would assist their constituents, gut affordable housing applications in their constituencies—

**The Vice-Chair (Ms. Soo Wong):** Mr. Rae, can we just suspend the committee? Because I believe there is a—

**Mr. Kyle Rae:** I understand.

**The Vice-Chair (Ms. Soo Wong):** —a moment of silence in memory of Mr. Flaherty.

*The committee observed a moment's silence.*

**The Vice-Chair (Ms. Soo Wong):** We'll resume. Sorry, Mr. Rae. Thank you.

**Mr. Kyle Rae:** Let's see where I should go.

**The Vice-Chair (Ms. Soo Wong):** Sorry.

**Mr. Kyle Rae:** I do not know how many social housing applications were supported by the planning department, refused by council and then approved at the OMB,

but I suspect it was very numerous. We should be thankful that the OMB could intervene to provide affordable housing, albeit in the last century.

It is a pity that the research in this field has failed to capture a very important facet of this planning process. It is my impression that a development that has a positive planning report, despite resident opposition, is refused by the council and then appealed by the applicant, often gets approval at the OMB. It makes sense. Whereas residents seem to feel that the OMB has succumbed to the developers' lawyers, I would submit that the city planning staff evaluation of a given project is the crucial evidence that determines the outcome of the hearing. It is not the development lawyers who sway the board members, but rather it is sound evidence being tested. I would argue that planning evidence is inconsistently tested at city hall.

Along with the OMB's crucial role in realizing federal and provincial policies for the supply of affordable housing in the last century, I would also like to refer to other policies which I think are amongst the most important legacies of the McGuinty government, and they are the provincial policy statement and the growth plan for the greater Golden Horseshoe area. These policies figure prominently in the professional planning reports that are generated by the planning staff. Every planning report says that city council planning decisions are required to be consistent with the PPS or the growth plan for the greater Golden Horseshoe. Rarely, though, are those two documents referred to in council debate. What we hear in council debate are fears about type of tenure, height, density, loss of privacy, the recent touchstone of ugliness in the neighbourhood, traffic and a heritage building being down the street. These are all used in an effort to deny development.

I would argue that the role of the OMB is essential to ensure that provincial policies are being given proper regard at city council. Without this oversight, despite all professional planning staff attempts to highlight these issues, council decisions will be swamped by the emotional issues listed above. Without knowing that sound, professional planning advice will have a venue for serious evaluation, not solely review in a highly parochial council arena, there will be a serious deterioration in the professional planning advice that is provided by staff. In cases where planning advice is cavalierly handled by council, at least there will be a sound review before lawyers and residents' associations at the OMB.

In my opinion, the problem is that residents' associations and ratepayer groups are failing to realize that the municipal planning staff have the greatest influence in the planning process, as they evaluate applications against provincial and municipal policies and criteria. These groups, in frustration, hope that the OMB will fix their problem with the planning staff; however, I would argue that this expectation is misplaced. Their energy should be focused on understanding the rationale of the planning department and applying provincial and municipal policies.

I've got several recommendations. One is that, especially in the old city of Toronto, there should be a compulsory review of the zoning bylaw every five years—a quinquennial review. There is one for the official plan; there is not for the zoning bylaw. The old city of Toronto's zoning bylaw was passed in 1986, in the last century. In fact, that was the year the film Ferris Bueller's Day Off was in movie theatres.

That is the zoning bylaw that we are working with in the city of Toronto. Despite the fact that we've been told it has been harmonized, it is only definitions that have been harmonized. The substance of it has not changed, I would say, since the 1970s, when the work was done for that zoning bylaw. It's a disgrace, and it really confuses constituents, because they think that the zoning regime from 1986 is what we should be dealing with in this century. I think that that misleads them, and it also offers councillors a great opportunity to extend and aggrandize section 37s, because the zoning threshold was so much lower back in 1986.

There should be a review of the city's processes in deciding to appeal the OMB. I can't tell you how many members of council, especially budget chiefs, have said, "We're throwing money away going to the OMB and losing there. We should have a better process of determining whether or not we should go." Perhaps a supermajority of council should be making a decision, rather than just a simple majority. However, the reciprocity issues that appear in approving or refusing a project will reappear in whether or not you go to the OMB.

I think the planning department does an admirable job of trying to be fair in dealing with applications, but I think that there could be improved consultation with residents' associations between the time they've written their final report and when that final report is heard at the statutory hearing at community council.

Finally, I would just like to say that I do believe that it would be of great use to the OMB if the members who heard the cases before them lived in the region where they were adjudicating. There needs to be a far better relationship and understanding of the constituencies that they are making decisions in.

**The Vice-Chair (Ms. Soo Wong):** Thank you, Mr. Rae. We have three minutes for the opposition party to ask Mr. Rae any questions. Mr. McDonell.

**Mr. Jim McDonell:** Yes. Thanks for coming before the board today. We have one issue with this: that there's no alternative. I think that's what you're saying as well. There needs to be firm consultation. Maybe there need to be some changes made, but we can't have no form of oversight.

Obviously, there needs to be some work. You talked about the city of Toronto zoning bylaw. I guess, in this day and age, you do have to review the OPA every five years. That just seems to make sense—not every five, but certainly every decade, I'm sure, would be fair.

Any comments on the process, and what you'd like to see changed if there are some modifications or things that aren't working well?

1430

**Mr. Kyle Rae:** Well, again, I would say that the residents seem to put all their hope in seeing the OMB make—turning it around, but I think by the time an issue gets to the OMB, there is a sizable amount of documentation from the planning department and the applicant, and the residents should have had their kick at the can all through the consultation hearings in working groups. They've had an opportunity—and I've gone through years of this. Right? Sometimes residents get it into their head that they should be able to stop something rather than looking at the application and saying, "How can I improve it? How can we amend it so that it fits?" Try and work through that, and that's what the working group system that I used was really helpful in doing.

But there are people in residents' associations who are not really interested in that process. They're more interested in feeling that they have the right to say no to what somebody does on their property. So it's a balancing. There is neighbourhood building. I find it interesting that the PPS talks about building communities. It's not about protecting neighbourhoods.

We need to build this city out to a greater extent. We know that the density here is insufficient, and in fact in many places it makes it very difficult for us to justify intensification of transit because density is so low. We have an opportunity to change that, and I think many residents' associations are not willing to see change.

I can remember back in the 1990s when the city of Toronto tried to do the main streets, which was—it's just now called the "avenues"—to try moderately intensifying along main streets. City council threw it out on a one-vote difference. The avenues, which members of council have been dealing with for the last 10 years, is a struggle in neighbourhoods. The neighbourhoods that are behind those main streets don't want four-storey, five-storey buildings behind them.

**The Vice-Chair (Ms. Soo Wong):** Mr. Rae, thank you very much for your presentation.

#### MS. KRISTYN WONG-TAM

**The Vice-Chair (Ms. Soo Wong):** Our next witness is Councillor Kristyn Wong-Tam, ward 27, Rosedale. Welcome.

**Ms. Kristyn Wong-Tam:** I will be joined by my colleague Councillor Josh Matlow.

**The Vice-Chair (Ms. Soo Wong):** Can you both identify yourselves for the record for Hansard? This round of questioning will be coming from the NDP. You have 15 minutes for your presentation. Welcome.

**Ms. Kristyn Wong-Tam:** Yes. Thank you very much, Madam Vice-Chair. My name is Kristyn Wong-Tam, and I'm the city councillor for an area in Toronto called Toronto Centre-Rosedale, known as ward 27. May I begin my deputation?

**The Vice-Chair (Ms. Soo Wong):** Yes, you can.

**Ms. Kristyn Wong-Tam:** Thank you again for the opportunity to appear before you today and share the

concerns that I have heard over the past few years as a new city councillor in Toronto.

The area that I represent spans a significant section of the downtown and midtown core, from Moore Avenue and St. Clair to the north, Queen Street to the south, University and Avenue Road to the west and Sherbourne to the east. There are over 100 development applications that are currently under review or recently approved in ward 27 alone.

Toronto has more high-rise buildings under construction than any other North American city. This development represents a potential increase of over 25,000 new residential units alone in this section of downtown Toronto. In 2013 alone, the city of Toronto's planning department received 5,887 planning applications.

We have a division that is staffed by 350 full-time persons in the city planning division with expertise in urban planning, heritage preservation, urban design, housing policy and transportation.

In addition to reviewing the thousands of applications, the city planning division is actively engaged in public consultations with over 384 non-statutory community consultation meetings held alone last year.

In addition to this work, last year alone there were 21 city building-initiated studies reviewing neighbourhoods across Toronto and providing recommendations on the future growth of our neighbourhoods.

As a local councillor, I work very closely with the ward's 14 distinct residential neighbourhoods and, correspondingly, we are also reviewing many applications together along with city staff.

I strive to create, as much as I can, within the community, respect within the planning context. The planning process at the city of Toronto is a thorough, comprehensive review involving multi-city divisions that occur before any response to a planning application.

For the majority of rezoning and official plan amendment applications, the process is a collaborative one between city planners and the developer, as well as the community. The Planning Act allows the applicants to appeal the city's non-decision after 120 days. Given the volume of applications that the city receives, this is simply not enough time for a comprehensive review to take place. If city planning were to respond to all applications within this time frame, most of the time we would say no at the early submission. However, given sufficient time, the city planners are able to work with the applicants to shape their applications and their development so that it falls within the guidelines of the city's planning regime.

Consultation with the community, including businesses and residents, is an incredibly important part of what we do. It is the local residents and businesses that ultimately feel the impact of development, and their concerns have to be taken seriously. In 2011, I initiated a working group process for over 15 planning applications.

Any comment that there is not adequate review at the city of Toronto or opportunities to collaborate with residents as well as other stakeholders is simply not true. The goal of these working groups is simply to provide an

opportunity for the developers, the community and the stakeholders to come together to resolve outstanding issues. They are not often easy conversations, but they are conversations that are necessary in order for us to build out Toronto.

In many situations, we have spent an inordinate number of hours working with developers in good faith towards an improved application, only to then have the applicant appeal this process to the board. Now, because we are not able to respond within the 120-day appeal option, this is an extreme abuse of the Planning Act and a complete disregard of the planning process, and a complete disregard of our time and resources, which the city of Toronto has in limited fashion.

The OMB has authority to disregard those community-driven planning processes and treat an appeal as *de novo* and completely disregard the amount of work and input that has gone into the planning process. Many of the local residents have completely lost faith in the Planning Act and the planning processes because of the constant abuses by certain developers—certainly not all of them, but some of them—around the OMB appeal.

The OMB is an unelected quasi-judicial body that has no accountability to the local community. How do I answer questions of the residents when they're asking me, "How does the OMB—a single member—get away with doing what they were able to do to undo the work of one-, two-, or three-year application reviews?"

Local residents make up volunteer members of the community. They are not paid to do this type of work. The costs of an OMB appeal are often built into the budget of a developer's proposed project, and they are then fought by expensive lawyers and expert witnesses. More and more, I hear from residents—not just in the ward that I represent, but from across the city—since Bill 20 emerged, that they are feeling marginalized by the OMB, and they are getting very angry. Toronto residents are demanding to know why the province insists on imposing such an appeal body over Canada's largest city with its 140 neighbourhoods.

In speaking with the city planning staff, the first question I ask about an original submission is, "Does this application represent good city planning?" Oftentimes, the answer is no, because it is the initial submission. But rarely do any of those applications meet those guidelines because they are the original submission.

The second question I ask is, "Is this winnable at the OMB?" The OMB remains omnipresent in every single planning discussion at the city. City planning in Toronto takes place with a constant threat of the Ontario Municipal Board. It hangs over the planning process like a dark storm cloud. It is used as a negotiating tool and a threatening presence by certain members of the development industry should things not go their way.

The question is, why does the province allow this to exist? The development industry should not be given the OMB to be used against the city's solid planning work done by our municipal planning departments and locally elected council. If the province continues to resist the

request from Toronto for OMB reforms, we are left with the conclusion, sadly, that the OMB's purpose is to solely serve the powerful development lobby and that the OMB's purpose is to facilitate development.

OMB decisions vary by members. There is no consistency to OMB decision-making. City planning policies and guidelines are reviewed by a local planner in consultation with the area planning manager, the director of community planning for the district and ultimately the chief planner before going to city council, effectively giving five levels of accountability and consideration. The OMB has none of that.

The city of Toronto has an official plan, contrary to some beliefs, and we do have a harmonized zoning bylaw that has gone through years of comprehensive review and consultation. According to the Planning Act, the Ontario Municipal Board is only required to have "regard" for these policies and bylaws when they review an appeal. There is no requirement for them to ensure that their decisions are consistent with the intent of Toronto council's approved policy.

#### 1440

The Ontario Municipal Board needs to have respect for the decisions, policies and bylaws created by skilled planning staff and elected municipal councils. If the OMB is to overturn the decision of a council, disregarding a planning and consultation process that has been in place for years, in many cases, the onus should be on the appellant to demonstrate why council's decision should be overturned and not the other way around, which is what it is currently.

The province of Ontario, through the City of Toronto Act, acknowledged that the city of Toronto should have autonomy over itself. As the sixth-largest government in Canada, the city of Toronto should be able to set the vision for its urban planning. From the waterfront to revitalizations of low-income neighbourhoods, the city of Toronto should have the independence to develop its communities without the constant threat of an OMB appeal.

When I asked one of our most senior planning lawyers at the city of Toronto her thoughts about removing Toronto from the purview of the OMB, her first response was that we would have even better planning at the city of Toronto. When probed and asked why, she said that the city of Toronto would become even more accountable to the planning decisions if it was not possible to appeal those decisions to the Ontario Municipal Board. Ontario remains the only province in Canada and the world that has this type of quasi-judicial body that can overturn local planning decision-making.

One of the challenges that the city of Toronto has is that city-initiated official plan amendments and zoning bylaws, which are studied and created to proactively shape the development coming into city neighbourhoods, get tied up at the Ontario Municipal Board time and time again. After expending significant resources on research and consultation, city staff must spend even more time defending these policies at the Ontario Municipal Board,

to someone who is unfamiliar with the planning context of the area. Board members lack in-depth understanding of the local context and are unable to make qualified, informed decisions affecting local residents. The ease of appeal by developers has diluted the central role of the official plans, zoning bylaws and secondary plans, and the local democratic process to determine appropriate planning initiatives is also undermined.

The city of Toronto is currently undertaking the review of two new planning tools—first, the local appeals body, which is an independent body comprised of residents of Toronto who will oversee a committee of decisions. This is a very important first step. The province gave us this expanded power. Large redevelopment applications in projects, though, will not be appealable to this local appeals body, so that remains outstanding for us.

The second tool that we're currently considering is a development permit system, which will see comprehensive re-zoning of an area, with full community and stakeholder input, to make it appropriate for each specific location. The city of Toronto recognizes that planning tools and processes need to be in place to ensure that the planning process is objective, fair and consistent, and is actively taking the steps to guarantee this.

I'm going to give you three examples, and only three. I can pull out several others, but I will give you three examples that I have observed in my short period of time in council since 2011 where the OMB has played a significant role, and to the detriment of the city and to the local community.

The North Downtown Yonge Planning Framework: In response to the downtown tall building study and to address the quantity and type of new development occurring in the area, city planning undertook a study of the area and initiated a community consultation. In total, seven business improvement areas and neighbourhood associations participated in this study; 350 participants were involved. Out of the planning framework, urban design guidelines and an official plan amendment were passed by council with area-specific policies.

Despite all this work, 17 appeals to the Ontario Municipal Board were filed once this was passed by council. The official plan amendment was recommended to strengthen the work of the planning study because city planners and city lawyers have consistently reported that the city's urban design guidelines were not respected by members of the board. Yet when the guidelines were strengthened through an OP amendment, they appealed them and argued that they were simply too restrictive.

Number two, 365 Church Street: The McGill-Granby area is a heritage-rich neighbourhood nestled in downtown Toronto. In 2011, a developer applied for a rezoning application to build a tall tower in the heart of this neighbourhood. I worked in good faith with the developer, the local residents and city planning through a working-group process for over a year to shape the application to make sure it could fit into the neighbourhood so we could get to a positive outcome for the developer and the community. What happened was, the developer de-

cided that he was going to disregard the negotiated changes that we made through the working group process and appeal to the board. That was in absolute disregard to everything that we worked for.

Sadly, the Ontario Municipal Board ruled in favour of the developer against the city of Toronto and the local community. The OMB member approved the developer's original application and submission and disregarded all negotiated changes achieved through the working group process, the city and the local community, and section 37 was then removed—all at the whim of one OMB member.

The third example, and one that affects you, is the view protection of Ontario Legislative Assembly. Under the threat of the Ontario Municipal Board, there was a decision to allow tall towers on Avenue Road that would invade the historic postcard view. I worked with the local community to form the Ontario Capital Precinct Working Group after failed requests for support from the provincial government by former speaker Peter Milliken and current speaker Dave Levac.

I spent close to two years working directly with the community and the city planning regime to advocate for an official planned amendment to ensure that the development would be controlled so that we can protect the interests of the province and protect the view of the Ontario Legislative Assembly. Once council approved the OP amendment, we saw the development industry fire back with three OMB appeals of the decision.

Not only is the Ontario Legislative Assembly building one of the most important heritage buildings in Toronto, it is also the meeting place of Ontario's provincial government. Jurisdictions around the world protect the iconic views of their important houses of government out of respect for significant histories and symbolic cultural value. Decisions made by local governments to protect their democratic houses should not be subject to appeal for private interests. If the province is not interested in protecting the OLA, then allow Toronto to do so without the threat of the Ontario Municipal Board.

In closing, the province cannot continue to allow the OMB to direct city planning policies for the city of Toronto. Over the years, Toronto city council has formally requested that the province of Ontario, on three occasions—

**The Vice-Chair (Ms. Soo Wong):** Councillor Wong-Tam, we are adjourning the committee on the order of the House. This committee is suspended until next week, I believe. Am I correct? Next week, we'll get some direction.

To all the witnesses who are here for this afternoon's hearing: Because of the unexpected death of a former finance minister of Canada, the House is adjourned for the day—the entire House, including this standing committee.

So I do apologize. I know you've been waiting patiently to participate, but this is the order. We will be in touch with you through the Clerk.

Mr. Prue.

**Mr. Michael Prue:** I just want some clarity: Does that mean that we will be coming back next Thursday with the remaining witnesses?

**The Vice-Chair (Ms. Soo Wong):** No. She already finished her 15 minutes.

**Mr. Michael Prue:** No, not this witness.

**The Vice-Chair (Ms. Soo Wong):** The other witnesses, absolutely.

**Mr. Michael Prue:** The other witnesses will be next Thursday, and then we will come the following Thursday after—

**The Vice-Chair (Ms. Soo Wong):** We will be working with the subcommittee. We're going to work it out with the Clerk.

**Mr. Michael Prue:** We're going to work it. But they will all be invited back.

**The Vice-Chair (Ms. Soo Wong):** Absolutely.

**Mr. Michael Prue:** Okay, thank you.

**The Vice-Chair (Ms. Soo Wong):** I just wanted to thank the witnesses who are waiting patiently for attending. I do apologize.

*The committee adjourned at 1446.*

## CONTENTS

Thursday 10 April 2014

Respect for Municipalities Act (City of Toronto), 2014, Bill 20, Mr. Marchese / Loi de 2014 sur le respect des municipalités (cité de Toronto), projet de loi 20, M. Marchese .....	F-825
Wellington Place Neighbourhood Association .....	F-825
Mr. Ken Greenberg	
Mr. Pawan Jain.....	F-827
Mr. Adam Vaughan.....	F-829
Greater Beach Neighbourhood Association .....	F-832
Mr. Jan Hykamp	
Mr. Jeffrey Levitt	
Mimico Residents Association.....	F-835
Ms. Mary Bella	
Ms. Ros Feldman .....	F-837
Mr. Kyle Rae.....	F-839
Ms. Kristyn Wong-Tam .....	F-842

### STANDING COMMITTEE ON FINANCE AND ECONOMIC AFFAIRS

#### **Chair / Présidente**

Mrs. Laura Albanese (York South-Weston / York-Sud-Weston L)

#### **Vice-Chair / Vice-Présidente**

Ms. Soo Wong (Scarborough-Agincourt L)

Mrs. Laura Albanese (York South-Weston / York-Sud-Weston L)

    Mr. Steven Del Duca (Vaughan L)

    Mr. Victor Fedeli (Nipissing PC)

    Ms. Catherine Fife (Kitchener-Waterloo ND)

    Mr. Douglas C. Holyday (Etobicoke-Lakeshore PC)

    Ms. Mitzie Hunter (Scarborough-Guildwood L)

    Mr. Monte McNaughton (Lambton-Kent-Middlesex PC)

    Mr. Michael Prue (Beaches-East York ND)

    Ms. Soo Wong (Scarborough-Agincourt L)

#### **Substitutions / Membres remplaçants**

    Mr. Rick Bartolucci (Sudbury L)

Ms. Dipika Damerla (Mississauga East-Cooksville / Mississauga-Est-Cooksville L)

    Mr. Vic Dhillon (Brampton West / Brampton-Ouest L)

    Mr. Rosario Marchese (Trinity-Spadina ND)

    Mr. Jim McDonell (Stormont-Dundas-South Glengarry PC)

#### **Clerk / Greffier**

    Mr. Katch Koch

#### **Staff / Personnel**

    Mr. Ian Morris, research officer,  
    Research Services

F-30  
X025  
F31

Government  
Publications



F-30

F-30

ISSN 1180-4386

**Legislative Assembly  
of Ontario**

Second Session, 40<sup>th</sup> Parliament

**Official Report  
of Debates  
(Hansard)**

**Thursday 17 April 2014**

**Standing Committee on  
Finance and Economic Affairs**

**Respect for Municipalities Act  
(City of Toronto), 2014**

**Assemblée législative  
de l'Ontario**

Deuxième session, 40<sup>e</sup> législature

**Journal  
des débats  
(Hansard)**

**Jeudi 17 avril 2014**

**Comité permanent des finances  
et des affaires économiques**

**Loi de 2014 sur le respect  
des municipalités  
(cité de Toronto)**



Chair: Laura Albanese  
Clerk: Katch Koch

Présidente : Laura Albanese  
Greffier : Katch Koch

### **Hansard on the Internet**

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. The address is:

<http://www.ontla.on.ca/>

### **Index inquiries**

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.

### **Le Journal des débats sur Internet**

L'adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance est :

### **Renseignements sur l'index**

Adressez vos questions portant sur des numéros précédents du Journal des débats au personnel de l'index, qui vous fourniront des références aux pages dans l'index cumulatif, en composant le 416-325-7410 ou le 325-3708.

---

Hansard Reporting and Interpretation Services  
Room 500, West Wing, Legislative Building  
111 Wellesley Street West, Queen's Park  
Toronto ON M7A 1A2  
Telephone 416-325-7400; fax 416-325-7430  
Published by the Legislative Assembly of Ontario



Service du Journal des débats et d'interprétation  
Salle 500, aile ouest, Édifice du Parlement  
111, rue Wellesley ouest, Queen's Park  
Toronto ON M7A 1A2  
Téléphone, 416-325-7400; télécopieur, 416-325-7430  
Publié par l'Assemblée législative de l'Ontario

## LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON  
FINANCE AND ECONOMIC AFFAIRS

Thursday 17 April 2014

*The committee met at 0902 in room 151.*

RESPECT FOR MUNICIPALITIES ACT  
(CITY OF TORONTO), 2014  
LOI DE 2014 SUR LE RESPECT  
DES MUNICIPALITÉS  
(CITÉ DE TORONTO)

Consideration of the following bill:

Bill 20, An Act respecting the City of Toronto and the Ontario Municipal Board / Projet de loi 20, Loi portant sur la cité de Toronto et la Commission des affaires municipales de l'Ontario.

**The Vice-Chair (Ms. Soo Wong):** As ordered by the House on Monday, April 14, we are assembling here today to resume public hearings on Bill 20, An Act respecting the City of Toronto and the Ontario Municipal Board. Each witness will be offered 15 minutes. Should there be any time following their presentation, the questions will be done on a rotating basis, starting this time with the government, so they will hopefully be here.

Any questions from the committee before we start? Do we have any questions from the opposition, the third party? No? Okay.

ONTARIO HOME BUILDERS'  
ASSOCIATION

**The Vice-Chair (Ms. Soo Wong):** Let's get the first witness to come forward, the Ontario Home Builders' Association: Joe Vaccaro, chief executive officer, and Michael Collins-Williams, director of policy. Welcome. Can you please identify yourself on record for Hansard's purposes? You have 15 minutes. Thank you.

**Mr. Joe Vaccaro:** Good morning. I'm Joe Vaccaro, with the Ontario Home Builders.

**Mr. Mike Collins-Williams:** Mike Collins-Williams, with the Ontario Home Builders.

**Mr. Joe Vaccaro:** Good morning. My name is Joe Vaccaro, and I serve as the CEO of the Ontario Home Builders' Association. Thank you for providing the opportunity to speak on the proposed bill to remove the city of Toronto from the jurisdiction of the Ontario Municipal Board. I am joined by Michael Collins-Williams, director of policy at OHBA, who is a registered professional planner.

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES FINANCES  
ET DES AFFAIRES ÉCONOMIQUES

Jeudi 17 avril 2014

OHBA is the voice of the new housing, land development and professional renovation industry, and our association includes 4,000 member companies, organized into a network of 31 local associations across the province, from Niagara to Thunder Bay, Windsor to Ottawa, and, of course, Toronto. BILD serves as the local GTA association, and I know they will be presenting to this committee and providing a Toronto-specific perspective.

Our deputation today is going to focus on the role of the OMB and highlight OHBA's comprehensive recommendations to the Ministry of Municipal Affairs and Housing's consultation on Ontario's land use planning and appeals framework.

**Mr. Mike Collins-Williams:** Thanks, Joe. Before we can even consider this bill, I think that some broader context is required.

Over the past decade, the planning system has evolved significantly. In response, the land development and residential construction industry has undergone a fundamental shift towards intensification and the construction of complete communities.

Since 2001, the province has implemented significant reforms to the planning system which have strengthened the local decision-making process and empowered municipalities with a range of planning tools. Some of the legislation and policy introduced since 2001 include:

- made-in-Ontario Smart Growth (2001);
- the Oak Ridges Moraine Protection Act (2001);
- the Greenbelt Act and Greenbelt Plan (2005), as well as a recent amendment;
- the provincial policy statement back in 2005;
- the Planning and Conservation Land Statute Law Amendment Act, better known as Bill 51;
- the Places to Grow Act, followed by the Growth Plan for the Greater Golden Horseshoe, as well as two very recent amendments;
- the Endangered Species Act;
- the Metrolinx Act, along with the Big Move;
- the Strong Communities through Affordable Housing Act;
- transit-supportive guidelines; and
- a new 2014 provincial policy statement comes into effect in just a couple of weeks, on April 30.

In the immediate future, a number of other land-use-planning related reforms and reviews are anticipated, they being the greenbelt next year and the growth plan the year after.

Fundamental to the shift in the provincial planning approach is the inclusion of a schedule of population and employment forecasts in the greater Golden Horseshoe growth plan. Updated just last year, the forecast states that the region will grow by over 4.3 million people from 2011 to 2041.

For Toronto specifically, the forecast predicts that over 600,000 people and nearly 200,000 additional jobs will be added to the city by 2041.

**Mr. Joe Vaccaro:** We think it is important for these facts to be included in an informed discussion around this proposed bill but, more importantly, it is in this context that OHBA responded to the comprehensive consultation launched by the Ministry of Municipal Affairs and Housing. OHBA continues to be disappointed that this narrow discussion on the role of the OMB continues to dominate the political agenda when there is a much more extensive public planning process before the administrative justice role of the OMB can be triggered.

We continue to be focused on a single tree and not the entire forest. The land use planning system is much bigger than just the OMB.

OHBA's comprehensive response to the ministry consultation commented on the entire planning system, with recommendations to provide greater transparency and certainty for applicants and the community, for educating the public on why their community is evolving, and, most importantly, to take the politics out of planning.

Every application, regardless if it is from a developer, a not-for-profit social housing provider, a builder of rental housing or a resident looking to expand their current home, makes its way to council for a political vote. If the public interest is to be served and we are committed to transit-oriented communities along with necessary social infrastructure like shelters, then we should be focused on getting things right at the beginning of the public planning process. This will reduce friction between governments, development proponents and community groups, which would also reduce the amount of conflict in planning and ultimately reduce the number of appeals to the OMB.

Instead, we find ourselves here today only talking about the appeals mechanism for those relatively few circumstances where conflicts occur. Unlike the comprehensive consultation under way through the ministry, this private member's bill ignores the rest of the planning system and simply suggests that we can do away with appeals to the OMB in the city of Toronto. Instead of taking the politics out of planning, you are leaving it to the vote at council, which is ultimately going to test the political will of the councillors to act in the public interest.

OHBA recognizes the challenge in a situation where a councillor is faced with a planning report from their own city staff that supports an application against an organized community group which is uninterested in the planning rationale behind the approval.

A good example was brought up by a previous speaker, former Toronto councillor Kyle Rae at this committee, which was the One Sherway project, which received

a positive staff report, but a community group located on the other side of the mall parking lot and on the other side of the 427/Gardiner interchange pressured the neighbouring council members and the Etobicoke community council to oppose the application. It is in these situations where the OMB actually provides a non-political analysis of the planning facts to make a non-political decision.

As Christopher Hume, a Toronto Star writer and a vocal critic of the OMB, stated, "Over and over, people have complained that the OMB is 'undemocratic' and its members unelected. That, of course, is exactly the point. That's why it can make the decisions it does. In theory, at least, it is above the fray and apolitical. It deals with facts, not emotions."

Perhaps the real issue here is that some politicians find it much more convenient to utilize the OMB as a scapegoat. It is a lot more convenient to lay the blame for outcomes they dislike at the doorstep of the OMB rather than to examine why an appeal occurred and what components of the public planning framework supported the OMB decision.

#### 0910

**Mr. Mike Collins-Williams:** OHBA's recommendations to the ministry consultation focused on getting it right from the start, to reduce conflicts and appeals at the back end of the process.

The province must ensure that municipal zoning bylaws are modernized and conform to provincial policy. This provides greater certainty, resulting in fewer appeals, and would increase public awareness while creating a more efficient planning system that supports provincial goals for strong communities, a strong economy and a healthy environment.

Many municipalities have examples where official plans and zoning do not conform to provincial policy. Some even intentionally underzone to maximize political control over development, but this causes friction in the planning process, as essentially every proposal to redevelop a property requires a rezoning and a political process.

This means that the province must be more assertive in enforcing the Planning Act, which currently has a legislative requirement that municipalities update their official plans every five years and that zoning be updated within the next three years. We need a system where local planning implementation policies actually reflect provincial policy.

Many municipalities across Ontario, including Toronto, have outdated planning policies, and to be blunt, zoning in many Ontario communities is so archaic that it practically means nothing. To this day, we hear opponents of development refer to the Crombie rule 30 years later, or to current zoning regulations which, despite being harmonized a few years ago, haven't actually been updated since that era.

Removing the city of Toronto from the jurisdiction of the OMB could reduce our public planning process down to simply cold, hard, political calculations of local councillors, and OHBA questions if this would actually serve the public interest.

With respect to the OMB itself, the board should remain as an essential piece of the broader planning framework in Ontario. Every applicant—from a developer, to a non-profit agency, to a resident—needs an OMB that is independent and impartial. It must be prepared to make decisions based on the provincial policy statement and the merits of the application itself. The applicant needs a place where the politics of planning do not determine the outcome of the application.

OHBA notes that councillors and community groups need to have greater regard for the professional opinions of municipal planners, as there are many documented examples where planning departments make recommendations in the public interest and in accordance with provincial policy, and those recommendations are ignored by council for political reasons.

I believe the recent academic work of Aaron Moore speaks to his analysis that professional planning staff recommendations are actually fairly consistently supported by the OMB. Where a municipality almost always loses to the OMB is when planning staff support an application that council votes against and then council has to hire outside lawyers to represent the city at the OMB. In those cases, the city almost always loses.

As a registered professional planner, it's disheartening to learn that the professional opinions can be dismissed in a political process. I'm sure that if Toronto's professional planning staff had the opportunity to present here today, they could share their professional perspective with this committee.

OHBA and our members are always open to improvements that could make the public planning process better to reduce the number of appeals; and in cases where appeals do occur, we believe that an enhanced role for mediation could result in better outcomes for all stakeholders involved. Through a mediation process, the board could also provide ratepayer associations with a resource with planning experience. This would encourage greater public participation, as groups would have more equitable access to trained professionals whose role and purpose is to resolve conflict.

**Mr. Joe Vaccaro:** Before we conclude our remarks, I want to address the myth that the OMB is completely unique. Appellant bodies responsible for appeals of local planning decisions are common across North America.

In Massachusetts, the planning authority for the city of Boston rests with three unelected bodies: the Zoning Commission, the Zoning Board of Appeal and the Boston Redevelopment Authority—different from the OMB, absolutely, but the key is that local planning decisions don't rest with elected councillors.

Vancouver is often held up as a model to emulate, but the key difference there is that council is elected at large and is not nearly as vulnerable to NIMBYism and local politics as our ward-based system.

Just to our immediate west there is the Saskatchewan Municipal Board and the Manitoba Municipal Board, which both hear planning appeals in a court-like manner. In Atlantic Canada, New Brunswick's Assessment and Planning Appeal Board, as well as the Nova Scotia

Utility and Review Board, hear appeals on official plan and zoning bylaw amendments. Each appeal entity is slightly different, but the claim that the OMB is completely unique is a myth.

Let me close by calling on the province to take a stronger leadership role in terms of educating the public with respect to both the planning process and provincial policy, and what the latter means for the local built environment.

The province and municipalities do a disservice to the integrity of the public planning process when they fail to educate and inform the public as to the reasons why their communities are evolving. As I mentioned earlier, the role of the legislated population and employment forecast requires municipalities to actively plan into the future. Without a public education program regarding planning policy and our evolving communities, the current adversarial environment will continue to undermine the goals of provincially led planning objectives.

I'd like to thank you for listening to our presentation, and we look forward to any questions you may have.

**The Vice-Chair (Ms. Soo Wong):** All right. This round of questions will be from the government side. There's four minutes. Ms. Damerla.

**Ms. Dipika Damerla:** Thank you, Mr. Vaccaro and Mr. Williams, for your presentation. I'm just going to begin by asking: Do you believe that it's important that communities have a chance to participate in the process before a dispute reaches the OMB?

**Mr. Joe Vaccaro:** When you look at the entirety of the public planning process—and we use the word "public" because it is a public process—there were a number of amendments made over the last number of years to provincial legislation requiring more public engagement and public consultation. Communities absolutely have a right to be engaged and to share their views and opinions on applications. The challenge and the conflict is where the interests of the community group, whatever they may be based on, run counter to the provincial policy direction.

The provincial government set out a framework that calls for greater intensification and greater land use purposes. The reality is that it will run counter to some communities that feel like their communities should stay as they are. We used the term that communities evolve over time, and that's central to this discussion.

Community groups absolutely have a right to engage, they should be engaged, they must be engaged as part of the public planning process. But there is a reality here, and that reality is that these planning applications have to work within the context of the Planning Act and planning law.

**Ms. Dipika Damerla:** So you believe that the rationale for the amount of the development charges to be collected should be transparent? How a particular city comes up with what the development charge should be—do you believe that should be transparent?

**Mr. Joe Vaccaro:** When an applicant makes an appeal to the OMB, the OMB can cover not just land use planning decisions, but also development charges and

other aspects of the planning framework they're working within that municipality. On the development charges specifically, our members utilize the OMB to find a way to get to a clear understanding of what the development charge is actually paying for, the rationale behind it, and to really try to provide some transparency.

We take the position that the development charge is ultimately being paid by those new neighbours. They are ultimately paying for the infrastructure going into that community. They have a right to have a clear understanding of what that charge is paying for.

Our members will utilize the services of the OMB as a way of giving those new neighbours some clarity, transparency and accountability as to what that charge really represents and what it's paying for. Ultimately, the hope here is that the municipality will be responsible enough to let those new neighbours know when those projects come on stream so that community-building can happen together.

**Ms. Dipika Damerla:** Many of us might disagree on how best to fix the current system, but I think that there might be some consensus that perhaps it could be improved. I'm curious as to what your thoughts would be. If you were in charge of improving the system, what would you suggest?

**Mr. Mike Collins-Williams:** The Ministry of Municipal Affairs and Housing had a comprehensive consultation on not just the OMB, but the entire land use planning and appeals process. We did provide a submission to the government. We have shared copies with the members in the room—

**Ms. Dipika Damerla:** Do you want to tell me your top two?

**Mr. Mike Collins-Williams:** I guess the top one would be getting it right from the start—ensuring that municipalities have up-to-date official plans and zoning. There are some municipalities that are fairly progressive and have kept up to date, but across Ontario, the vast majority are fairly out of date. Official plans throughout the greater Golden Horseshoe have been brought into conformity with the growth plan over the last number of years, but zoning still remains decades out of date.

I think part of the purpose of this bill that has come forward is the concern with the amount of conflict in the planning system. But if we can get zoning and official plans right from the start, that will reduce a lot of the friction, a lot of the conflict between municipalities, development proponents, community groups—

**The Vice-Chair (Ms. Soo Wong):** Mr. Collins, your time is up. Thank you very much for your presence. Thank you to both of you for coming.

**Mr. Joe Vaccaro:** Thank you.

#### BUILDING INDUSTRY AND LAND DEVELOPMENT ASSOCIATION

**The Vice-Chair (Ms. Soo Wong):** Our next witness is the Building Industry and Land Development Association: Stephen Upton and Gary Switzer. Good morning. Can you identify yourself for the record. You have 15

minutes for your presentation. This round of questioning will be from the official opposition party.

0920

**Mr. Stephen Upton:** Thank you, Madam Chair. My name is Steve Upton. I am the current chair of BILD, which is the Building Industry and Land Development Association for the GTA.

**Mr. Gary Switzer:** I'm Gary Switzer. I am chair of the Toronto chapter and CEO of MOD Developments in Toronto.

**The Vice-Chair (Ms. Soo Wong):** You may start.

**Mr. Stephen Upton:** Thank you. As I said, my name is Steve Upton. I am the chair for the Building Industry and Land Development Association. You've already been introduced to Gary Switzer, our chair of the Toronto chapter, who is with me today.

With more than 1,400 members, the Building Industry and Land Development Association was formed through the merger of the Urban Development Institute and the Greater Toronto Home Builders' Association some 10 years ago. We are the voice of the land development, building and professional renovation industry. Our members are all of those who are part of building complete communities across the GTA: home builders, developers, consultants, lawyers, architects, engineers, renovators and all the individual trades. The economic impact of the industry is significant, creating well over 200,000 jobs in the GTA and generating over \$10 billion in job wages.

I take great pride in reminding people that our industry is committed to improving new housing affordability and choice for Ontario's new home purchasers and that our members live, work and play in the municipalities that make up our communities. Our comments should be taken in balance with the fact that we not only do business in the cities, towns and villages of Ontario; we also live and raise our families here as well.

We're all interested and affected stakeholders on issues involving the OMB, as it is a critical component to the planning and development system of our communities. Thank you for the opportunity to speak on Bill 20, An Act respecting the City of Toronto and the Ontario Municipal Board. It is a bill that has sparked much interest to us since it was first introduced in March of last year.

To give you a bit of a quick background on who I am, and then Gary will introduce himself very quickly, when I am not volunteering my time for BILD, I am the vice-president of planning and development for Tridel Corp. I have worked in the industry for more than four decades, even though I look pretty young, I think, still. Tridel is deeply committed to building the highest-quality condos possible, and over the past eight decades has built more than 80,000 homes. We have over 20 new condo communities currently under development in the GTA.

A great volume of our work is in the city of Toronto. This has given me the opportunity to be part of so many celebrated projects in what has become a vibrant and exciting city of Toronto. I've had the opportunity to work with city staff and changing councils in the mix of different policies. One thing that has remained constant and is

still significant is the role of the Ontario Municipal Board.

When Bill 20 was first introduced, BILD was quick to respond to reinforce its support for the essential role that the OMB plays in the development approval process. In our current planning system, an appeal to an independent, non-political, unbiased decision-maker is essential to ensure that any municipality, community, ratepayer association or non-profit agency, along with the landowner, has an opportunity to present and test the merits of an application against sound planning principles. It is the essence of the Ontario Municipal Board's role. The OMB is impartial. It is independent. It is an adjudicating tribunal whose members are appointed. Its members don't sit on any elected council. They are removed from local political pressures. This is the kind of setting that has to exist to assist with the creation of a vibrant city of Toronto, where decisions are made with the sound principles of the Planning Act in mind.

Specifically on Bill 20, we know that, if approved, it says that with or without a local appeal body, the city of Toronto should be free from having the OMB apply to their planning and development process, should be free from being a part of city-building.

Two thoughts come to mind when I hear this.

First, does the city of Toronto really need to be "freed" from the OMB? There is a growing public perception that cities always lose to developers in appeals at the OMB. However, if we look at the facts, the city of Toronto's own staff report states that of all the committee of adjustment applications from 2009 to 2011 that went before the OMB which had originally been refused by the C of A, 72% of the time, the OMB actually upheld the C of A's decision.

Freeing Toronto from the OMB, I would argue, would free them from being a part of city-building. I could point to many fantastic, exciting and celebrated projects that are being enjoyed by residents and neighbourhoods alike that were rendered by an OMB decision.

I think this is where I will hand the microphone over to my colleague, Gary Switzer. He is an architect by profession and has a passion for design excellence and creating a world-class city. Gary?

**Mr. Gary Switzer:** Thank you, Steve, and thank you, Chair and committee members. As Steve mentioned, I'm the chair of the Toronto chapter of BILD. When I'm not volunteering my time there, I am CEO of MOD Developments, which I formed five years ago. My two most recent projects are 5 St. Joseph, about a block away from here, and Massey Tower down at Queen and Yonge, both of which were projects of the year and both of which have been celebrated for design excellence. Neither one of them went to the OMB.

In my previous life, I was also a planner in the city of Toronto. Then, for 21 years I led the high-rise division—I formed the high-rise division—at Great Gulf Homes. We did a number of celebrated projects like 18 Yorkville, the Morgan, the Hudson and also a project that I'll refer to later that a number of people have mentioned: the one at Sherway Gardens.

It's easy to say that the OMB favours the development industry. This has not been my experience. This board, which is made up of 23 professionals—lawyers, land use planners, a former mayor and environmentalists—facilitates, mediates and adjudicates on a case-by-case basis and, in the end, every decision rendered is in the public interest and has to be explained by sound planning principles.

I'd like to read a quote. The quote says—and this is from the honourable Mr. Marchese: "It should be city planners and the city of Toronto—along with the community—that should decide what's good for them and not some appeal body that's unelected and unaccountable."

The problem, from my experience in almost 30 years in the industry, is that they don't often all agree. What does one do in a case where the planning department has come out with a positive report; the developer has done everything right; it complies with the official plan and it complies with the provincial statements, but council turns it down?

I'll give some examples of where this was the case—planning examples that are now celebrated. First of all, the Kings: the King-Parliament and the King-Spadina areas. Both of those were planning initiatives that ended up at the OMB, which brought mixed-use residential to areas that basically were in total decline at the time.

Individual projects, such as Regent Park: That ended up at the OMB—the Daniels project. The project that people have referred to, One Sherway, which was my project, was a joint venture with Menkes. Again, everything right: fulfilled the provincial policies—in fact, the province had built the highway, the exit from the QEW to go there, expecting higher density. It ended up at the OMB because of shenanigans at council. The Globe and Mail did a celebrated front-page story because of the fact that council could not comply with its own policies. John Barber said, "Even babies need nannies," which I thought was a very apropos comment on what ended up going on there.

In my own experience, 18 Yorkville, which was celebrated as the first point tower public park, revitalizing that section of Yonge Street, ended up at the OMB. In this case, it was the planners who were against it. The residents and the council member were in favour of that project.

To end my comments, even if we go way back to the 1970s, the most innovative planning initiatives that have ever come forward in the city of Toronto, like the Central Area Plan in the 1970s under Mayor Crombie and the reform council at the time, ended up at the OMB.

Just one short anecdote: I remember Howard Cohen telling me that he appeared at the board, and the board member said, "Why would, Mr. Cohen"—and he was a planner at the time—"anybody want to live on Bay Street?" It brought mixed-use for the first time to downtown Toronto in areas that were only zoned for office at the time as a result of the OMB, because council could not see its way to approve that Central Area Plan.

With that, I'll turn it back to you, Steve.

**Mr. Stephen Upton:** Okay. We have to remember that there are many reasons why decisions are brought to the board. Sometimes it's a lack of a municipal decision. They don't make a decision within the legislated time frame. Sometimes city council could vote to deny an application, even if it's recommended by city planners and conforms to provincial legislation, and the applicants have a right to appeal the decision. Sometimes residents or ratepayers exercise their right to appeal a decision that the city makes. And sometimes matters go to the board because the public just isn't ready for projects that the industry is trying to build to uphold plans or objectives that the city or province have on the table.

Since 2006, when the provincial Places to Grow plan was approved, provincial policy has mandated intensification, and the home building and land development industry has been working hard to implement these policies.

We should also remember that the OMB serves a mediating role. This is very important. The OMB provides a stream to bring everyone together, all those proponents involved in the appeal or application. With mediation, we all roll up our sleeves and get to the heart of the issues and try to solve them to avoid a full hearing.

Just as a quick comment, I have a couple of projects that I've worked on in the last year in Etobicoke and downtown Toronto. Both ended up at the board by either residents or by referral to us, because of the time element. At the end of the day, everyone rolled their sleeves up. Mediation was accomplished. The ratepayers signed off and we had—settlement counsel endorsed it. It was a rather interesting process, so the board really worked very hard for that.

0930

If Toronto is freed from the OMB, we have to consider what other options are available for residents, neighbours and ratepayers alike. The OMB makes dispute resolution easier. It's more accessible, faster and less expensive than the courts. While there are some who believe that the OMB should be replaced by municipal appeal bodies, the OMB has proved essential in the development approvals process within the current planning system.

In the Toronto context, not only would support for a vibrant, world-class city be weakened, but the cost to the taxpayers, or our new neighbour, would significantly increase without the OMB.

In 2010, city of Toronto staff were asked to provide the anticipated costs of creating a local appeal body. It was determined that it would cost about \$1.8 million per year, with an additional \$261,000 in start-up costs. This translated into \$6,200 per application.

It is also very important to note—and I remember hearing this myself—that the city staff themselves were incredibly cautionary to their committee and council about the complex administrative process involved in establishing a local appeals body.

BILD members are critical partners with the province and municipalities in the creation of complete communities—

*Interruption.*

**The Vice-Chair (Ms. Soo Wong):** It's okay. Keep going.

**Mr. Stephen Upton:** —that will support the implementation of the provincial policy statement, the growth plan, and many other significant provincial plans. The OMB is an essential component to assist in upholding the principles of these plans.

Toronto city council should be proactively planning by updating the Toronto official plan, identifying opportunities for transit-supportive communities that will revitalize neighbourhoods and support the principles of the provincial growth plan.

We should all be working together—the province, the city, the industry—to educate residents on the planning process and the realities around the significance of the OMB, instead of sacrificing economic, cultural and environmentally sustainable projects in favour of NIMBYism.

Instead of focusing on what some believe we need to rid Toronto of, or free Toronto from, this is the bigger picture that we can all share and work towards in supporting Toronto's desire to create a vibrant, world-class city.

Those are my remarks on behalf of our association. Thank you for your time.

**The Vice-Chair (Ms. Soo Wong):** Thank you very much. You have three minutes. Mr. McDonell, do you want to start for your side?

**Mr. Jim McDonell:** One of the issues we have with the bill is that there's no alternative, and I think you've talked about some places where the OMB has come into place and whether it has provided a venue versus going to the courts. Can you give us some examples of exactly some of the places where the OMB stepped in to mediate and get a settlement between both sides?

**Mr. Stephen Upton:** I'll give you one quick example, and I could probably give you two more, depending on our time. As I was mentioning earlier, our Humbertown project over in the Royal York Road and Bloor area—we had a positive staff report that met all the criteria of the official provincial planning policies and the transit initiatives. It met everything you could possibly do, even in urban design. The community—very large—and the Humber Valley ratepayers did not want anything to change, period, even though in the official plan, it was mixed-use, and it warranted it, with a solid staff report.

Community council refused it and so did the big council. We took it to the Ontario Municipal Board, because that wasn't the logic behind refusing an application. The member at the time decided, "Let's have a mediation. Let's get it ready today. Let's figure out what went wrong or what can be dealt with." As a result of it, Humber Valley came to the table. We worked vigorously over about six meetings with them, with the board members. At the end of the day, we ended up with a resolution, a municipal settlement that was signed by the ratepayer group thanks to the mediation process by the board. It went to city council, got adopted, and now we're working through site plan matters. The project is

essentially what it was when staff had supported it, ironically.

The other is another project in Toronto, in Kristyn Wong-Tam's ward. We only took it to the board because time was running. We were in a process for two and a half years, not getting anywhere, so we just referred it to the board to get a placement. As a result, it sparked everyone to come to the table and talk about it. Over three meetings with the board member mediating it, we had the ratepayers agree to a motion on the project that they would support. Staff then supported it, as well as the city solicitor, and we drew up a settlement. The board ratified that at a recent board hearing. That project was what we had planned to do right from the outset, with some changes that were valid changes requested by the community, but it didn't meet what the city thought they wanted it to meet when they first tackled this.

At the end of the day, they agreed to it; even though they didn't agree initially, they agreed in the end. We got it settled and, thanks to the board, we had a good, successful mediation. The project's alive and we're all working in the right direction with the community.

**The Vice-Chair (Ms. Soo Wong):** One minute.

**Mr. Jim McDonnell:** Okay. I think we talked about places where the zoning was vastly out of date. Any examples where that has created a problem? You said that everybody is in agreement that they should be brought up to date. Any examples you've run into where the zoning is—

**Mr. Stephen Upton:** Just a quick comment, sir: This is a North York community zoning bylaw in 1952, still in play today, ironically. The zoning is so out of date, it doesn't support anything on any kind of development you can do on the Yonge corridor, where the subway exists and where new developments really should be happening. It's very outdated, and the vision to get it updated is kind of antiquated right now, so that's a challenge.

**The Vice-Chair (Ms. Soo Wong):** Thank you, Mr. Upton, and thank you, Mr. Switzer, for your presentation.

**Mr. Stephen Upton:** Thank you.

#### CONFEDERATION OF RESIDENT AND RATEPAYER ASSOCIATIONS IN TORONTO

**The Vice-Chair (Ms. Soo Wong):** Our next witness is the Confederation of Resident and Ratepayer Associations in Toronto: Eileen Denny. Good morning. Welcome. Can you please identify yourself for the record. You have 15 minutes for your presentation. This round of questions will be from the official third party. You can identify yourself and begin.

**Ms. Eileen Denny:** My name is Eileen Denny, and I'm representing the Confederation of Resident and Ratepayer Associations in Toronto. I wish to thank you for granting us the opportunity to provide our perspective on Bill 20, concerning the city of Toronto and the Ontario Municipal Board.

CORRA is an apolitical, incorporated not-for-profit association representing member resident and ratepayer groups, both unincorporated and incorporated, from the north, south east and central areas of the city of Toronto.

What brings us here today? Bill 20 is seeking the removal of the city of Toronto from the jurisdiction of the OMB. It is considering the powers granted to the city for establishing one local appeal body to hear appeals of committee of adjustment decisions and expanding them to include all appeals that the OMB would hear, as well as considering more than one LAB to do so.

It has taken the city a full term to consider the issue of the local appeal body to hear appeals resulting from minor variance and consent applications without generating a fresh report or a new feasibility study. The public consultations recently concluded provided the following data:

Projected costs would be approximately \$1.75 million—those are 2010 terms—compared to the OMB at \$7.5 million annually. OMB member salaries are about \$104,000 to \$145,000, full-time. LAB members are estimated to be about \$58,000 on a part-time basis, or they may consider remuneration on a per diem basis or per written decision.

The OMB appeal fee is only \$125. The average LAB hearing cost would be about \$6,000.

The committee of adjustments hear approximately 2,000 to 3,000 applications annually, of which 10% are appealed. Of the 10%, no information was made available as to whether these appeals were developers appealing, or residents or their associations appealing.

A quick summary of this: The ability to appeal would be inaccessible under the LAB for ordinary citizens. The remuneration amount for LAB members would not attract the calibre of individuals needed. The part-time nature of the position would impinge on impartiality and may present conflicts of interest.

The projected cost is not a firm figure. In fact, it may be substantially more, as the processes have not been determined on which a more accurate estimated cost could be calculated. We are concerned with the additional download that Bill 20 would bring as a result.

How does a LAB address the concerns of the OMB? Resident and neighbourhood groups at the public consultations were quick to ask why they were being asked to attend, and what a LAB was going to solve, when the only changes seemed to be that five people from Toronto would be hearing officers, instead of board members from the OMB, and that once a LAB has been established, only the province can dissolve it. The benefits were not enough to convince the residents and associations at those meetings that the ongoing spending of more than \$1.8 million to hear 300 appeals on minor variance and consent applicants was enough.

Is the city able to operate an independent local appeal body effectively? Again, residents and neighbourhood groups highlighted the concerns, from the appointment of members to the permanence once a LAB is set up and the ability of the LAB to remain independent over time.

Residents' thoughts settled on discussions about the committee of adjustment, as development applications are no longer about decks, but involve the wholesale demolition of existing buildings and their replacement, to enlargements across various zone categories in the city.

0940

The committee of adjustment is also a quasi-judicial tribunal set up to hear minor variance and consent applications and make final and binding decisions, independent of council. Currently, the committee of adjustment panels are not discharging the obligations under the Planning Act, and this is a decision-making process that residents and resident groups want the city to fix.

Here are the issues. Areas where the committee of adjustment is not discharging their obligations under the Planning Act: They're not meeting the minimum notice requirements; they're not deciding applications in accordance with the four tests; they're not providing minutes that record what was said during the hearing; they're not providing written reasons for the decisions made; and occasionally not forwarding full file contents to the OMB upon appeal.

Other areas of operation where due process and procedural fairness may be affected include: the selection and calibre of C of A panel members; not allowing for the review of full file contents prior to the hearing; inconsistent hearing proceedings; minor variance consent applications are decided on the four tests, of which the onus is on the proponent to demonstrate; hearing panels hear about 30 to 40 hearings every two weeks, in one day. For the city of Toronto, the committee of adjustment has become less independent and appears subsumed by the city's planning department.

One of the more critical departures, and I cite this one as an example: providing written decisions, which is a requirement under the Planning Act, is paramount.

Public trust in decision-makers depends upon the ability to render well-reasoned, consistent judicious decisions from an impartial panel. The habit of articulating reasons for a decision will lead to better panel decisions, provide for a body of explanations which would assist in making future decisions more comprehensible and predictable, and lead to a well-developed approach to the interpretation of legislation governing, for example, minor variance.

Another deep-seated concern is the four tests; in particular, what is minor. It is worth emphasizing that the onus is on the applicant seeking the variances to demonstrate that these tests are met. Those opposing need only show that one of the four tests is not met, for the application to fail. How, then, can it be said that the city is capable of operating an independent local appeal body when the committee of adjustment no longer operates as intended and legislated?

Given the present state of the committee of adjustment, the city is not in a position to take on one local appeal body handling minor variance appeals, let alone an expanded slate of appeals and more than one local appeal body. Residents are asking that the committee of adjustment be fixed first.

The importance of the Planning Act as a means to reform: Like the committee of adjustment, the OMB is a quasi-judicial body which makes legal and binding decisions, independent of government. However, the OMB is responsible for hearing appeals on matters concerning planning disputes only. If we are serious about improving the OMB, the public must be central to this rebalance and the overall planning process, of which the OMB is part, and should be subject to the same level of public scrutiny.

Another issue that we are confronted with is that no matter whether it's the city making a decision or whether it is the committee of adjustment or the OMB, it is the Planning Act that needs to be rebalanced and clarified. In doing that, CORRA would volunteer to provide sections that need amendment to the policy advisers responsible for the Planning Act in the province.

CORRA does not support the status quo, but we need to be cautious. We must do our homework before launching into such major changes. That is my submission.

**The Vice-Chair (Ms. Soo Wong):** Thank you very much. We've got quite a bit of time left for questioning. This round of questioning will go to the NDP side. Mr. Marchese, you have about six minutes.

**Mr. Rosario Marchese:** Thank you very much, Eileen. It was a very well-thought-out presentation, and you raise a lot of good points, including criticisms of the committee of adjustment that are probably fair and reasonable. You talked about the local appeals body and how much that would cost and what that would cost people who would have to present an appeal, which is quite high. By the way, in that regard, my view would be that, whatever it costs the city of Toronto to take all the planning staff and everybody else that has to go and present at the OMB, all of those costs would simply be passed down to the city so that they wouldn't have to worry about the incredible amount of money that they would have to find to set up a local appeals body.

That's assuming that's what the city wanted to do, because my bill doesn't say that they shall; my bill enables them to do that, but they don't have to set one up. They could have different bodies; they could decide to have a planning board or design review panel. They could decide to do that differently based on whatever other models exist across Canada and the US, or other places for that matter.

You do raise a lot of good points that are worthy of some discussion. My point—and that's the question to you—is: Do you believe that the city should have the power to do city building, that they should have the power—with local politicians, planners and communities—to decide planning matters, or do you think it should be another body that has the ultimate authority, the ultimate veto power, the ultimate decision-making power to decide whether this plan is good or this plan is bad? Who do you think should have that power, ultimately?

**Ms. Eileen Denny:** Right now I believe that the city does have much of that power. They have the ability to

amend zoning bylaws. They have the ability to amend the official plan. It's only when decisions are in dispute that it does go to an appellant board.

Where they are common is in the Planning Act. It's the common legislation that governs the OMB, as well as the city and as well as the committee of adjustment. If, in fact, they cannot operate or oversee a body like the committee of adjustment to be independent and to be operating under its legislation—we have difficulty grappling with how the city would manage this independent body as structured, not only today at start-up but across time, and not only from an administrative functioning perspective, but also the commitment of dollars. Good policy can die if you don't enforce, ensure that it's applied and have money put to it.

**Mr. Rosario Marchese:** So, I'm not disagreeing; I'm pointing out two problems: the cost to set up a local appeals body is a big one for the city of Toronto. It's \$2 million, but many have complained. Is it fair? The wages that we would be paying these people, who would be part-time, is quite low, and who is it that we would be attracting? Are we going to get the best folks to do that job? It's part of that consideration.

But, as I understand it from Adam Vaughan, the city is going to move to do that. Yes, it has taken years, but the city is going to move to deal with that and hopefully fix that particular problem, because most of the appeals that go to the OMB are related to committee of adjustment problems. So they're going to be dealing with that.

My view is that the city should deal with all of these things at once and not wait for this to be fixed until we get to the bigger problems that really cause a lot of headaches to cities, politicians and communities. I think they should deal with all of these things.

We should break that vicious cycle, as Ken Greenberg said, get the city to fix all of these problems, and give them the power to do that. Give them the power to, together, solve these questions. We, the people—we who vote for them—can at least make politicians accountable, but we can't make the OMB folks accountable for anything that they say or do.

**Ms. Eileen Denny:** I'd like to say that the OMB is quasi-judicial, "quasi" meaning that the elected body does appoint the people sitting on that deciding panel, as does the committee of adjustment. You will be appointing. Elected officials are actually responsible for appointing those members, and "quasi" gives those panel members discretion in making a decision.

I have to caution that discretion doesn't mean changing the law. It doesn't mean changing policy. What it means is that it must be tempered in fairness when you evaluate against the legislation, the law and the context in planning, and that requires a special person. It does not need to be a person located in a local area. What you need are people who understand the law, the legislation and planning, and operate with fairness and compassion in making that decision.

**The Vice-Chair (Ms. Soo Wong):** Ms. Denny, thank you very much for your presentation.

0950

#### ONTARIO ASSOCIATION OF ARCHITECTS

**The Chair (Ms. Soo Wong):** Our next witness is the Ontario Association of Architects: Sheena Sharp. This round of questions will be from the government side. You have 15 minutes for your presentation. Can you please identify yourself for Hansard?

**Ms. Sheena Sharp:** Certainly. Good morning, and thank you for having me here. My name is Sheena Sharp. I am the immediate past president and a current vice-president of the Ontario Association of Architects, the OAA.

The OAA is the licensing body and professional association for Ontario's architects, established under the Architects Act. We regulate the practice of architecture in order that the public interest may be served and protected. We are also charged with promoting architecture and raising awareness in the best interests of the public. This does not only refer to the appearance of buildings but also to the planning of buildings. We have a membership of nearly 3,600 architects and 1,700 practices. As a side note, more than half of our architects live or have practices directly in the city of Toronto. I also live in the city of Toronto and work in Toronto and outside Toronto.

There are two main points that we would like to make. First, this bill proposes to solve a problem that does not substantively exist and ignores a huge problem which does exist; namely, that it is our planning processes themselves that need reform. My second point is that, given the pressures unique to the responsibilities of municipal councillors, we feel that an appeal body, remote from municipalities, is an important safeguard to the integrity of a properly functioning planning system.

The Ontario Municipal Board is not without criticism. The OAA has heard this from our members. We support a review of the OMB that would make it more efficient, effective and accessible. However, the OAA has heard loud and clear from Ontario architects that abolishing the OMB is not the answer, nor is removing the city of Toronto from the OMB's purview. As the OAA recently expressed to the city of Toronto, the OAA supports the existence of the OMB inasmuch as it's an appeal body which ensures that municipalities comply with their own policies and regulations, and that these policies and regulations are clear.

As leaders of the built form, architects are a central component within the planning regime. When municipalities, including the city of Toronto, fail to make clear and defensible policies and regulations, there must be a body to hold the city accountable.

Indeed, the OAA itself has appealed the city of Toronto's harmonized zoning bylaw to the OMB. This is the first time in our 125-year history that the OAA has ever entered such an appeal, but it was clear from local architects that this intervention was necessary. We could see that this bylaw was poorly written and would have great consequences on the built form and architectural

expression within the city. Parts of this bylaw ran contrary to the city's own official plan and to various other municipal and provincial priorities, policies and objectives. We understand that architectural projects that the city of Toronto itself had once given design awards to would now be impossible to build under the new zoning regime. This also goes for projects that the OAA has given design awards to. The concerns of local architects were ignored. The OAA was also ignored when we acted on their behalf during the bylaw consultations to try to improve the bylaw. The ability to appeal the bylaw is of utmost importance to the architects in the province of Ontario, and one that must be safeguarded moving forward.

We would also point to the fact that the city of Toronto, by its own admission, has intentionally down-zoned great areas of the city. This is despite the fact that it contradicts its own official plan and other municipal and planning documents. The end result is that countless applications that should have been as-of-right are needlessly and expensively sent to the committee of adjustment, and some of these go on to the OMB.

Appeal bodies such as the committee of adjustment and the OMB should be used as a last resort, not as a chamber of sober second thought or as a safeguard against special-interest groups: "Just get this through; the OMB will sort it out."

Poorly written municipal plans and policies such as the harmonized zoning bylaw pose a significant obstacle to the practice of architecture and can come at a great cost to the people of Ontario.

The city of Toronto maintains that it is a mature city and should not be subject to oversight through a provincial body. To the contrary, planning decisions that ignore blatant policy contradictions and eliminate as-of-right zoning in favour of lengthy and costly processes which pit neighbour against neighbour—well, this demonstrates that a provincial and unbiased appeal body is needed more than ever for the city of Toronto.

Architects living and working here have repeatedly cited issues of political interference in what is intended to be a straightforward planning and approval process. It is exactly in these highly charged local situations where the OMB, an outside body, plays a critical role in ensuring fairness. The city's own chief planner has expressed serious reservation over the current proposal, saying that she could not support any move away from the OMB so long as the current locally charged ward system still exists.

In her earlier deputation, Councillor Wong-Tam, who is a very sincere person and is fighting for the good of the city, outlined a process she undertakes which can take between two and three years. These processes are not envisioned by the Planning Act, but are popular with municipal councillors of all political stripes. However, a lengthy and inefficient municipal planning process is very expensive. The OAA commissioned an independent study on one portion of the planning process: site plan approval. This independent study found that for a 100-

unit condominium apartment building, each additional month spent in planning would cost: \$193,000, or \$1,930 per month per unit, a cost that is passed on to new homebuyers; between \$160,000 and \$242,000 per month to the municipality and existing community through delayed tax revenues and lost spending; and \$44,000 per month, or \$443 per unit, to end users, the residents, through not being able to get into their unit and start building equity.

Studies from other organizations on other components of the planning process—development charges, for example—have also demonstrated great cost and delay. I'd like to point out that these significant costs are also paid by provincial projects. They are paid by hospitals; they are paid by schools; they are paid by community centres. We have to pay for a planning process; however, we have to understand what it is costing all of us, and you guys have to be the judge of whether or not it's worth it. We have asked the Ministry of Municipal Affairs and Housing to look into this, but we feel that passing this bill would only make the situation worse.

The city of Toronto maintains that its planning decisions should not be able to be overturned by individuals from other municipalities who can't or don't understand Toronto issues. We contest this notion and believe that individuals with planning expertise from other areas of the province are qualified to rule on such disputes. The city of Toronto's own urban design manager serves on the design review panel for the city of Ottawa. This expertise is applicable throughout the province.

Finally, I'd like to take a moment to speak to the argument that the OMB has a pro-developer bias. The OAA has heard a number of individuals, including Toronto city councillors, make this accusation. We can find no evidence for this. The OMB makes decisions based on planning regimes and rationales, and the OAA has repeatedly heard from both architects and developers that when they should have won, they won, and when they should have lost, they lost. There are always exceptions to this, but we have to look at the record of the board in its entirety, not cherry-pick different examples.

Again, the city of Toronto's own chief planner and city solicitor agree that the city has a good track record at the OMB, winning the majority of their cases. The OAA simply does not support the notion that the OMB is biased.

#### 1000

This is an important point, because the OMB is a public institution with a very important purpose: to ensure the integrity of the planning system. The province should take whatever measures are necessary to ensure wider public confidence in it, and not allow its reputation to be diminished.

In closing, architects are primarily concerned with the creation of the built environment to the utmost quality, in support of the people of Ontario. We believe that the OMB—unbiased and independent—remains the necessary and appropriate appeal body for the whole province. Thank you.

**The Vice-Chair (Ms. Soo Wong):** Thank you, Ms. Sharp. This round of questions is from Ms. Hunter. There are five minutes.

**Ms. Mitzie Hunter:** I have three different questions, so I'm going to put them forward and allow you to speak to them. One is just building on your last summary in terms of the unbiased nature of the appeal board. Do you believe that it is important that communities have a chance to participate in the process? And how do we ensure that community groups feel that they have a fair shot when confronting disputes at the OMB?

**Ms. Sheena Sharp:** Yes, we do. Currently, the community members, ourselves included, have the opportunity to participate in the creation of the official plan, in the zoning bylaw creation and review, and in revisions to the official plan and the zoning bylaw.

What usually happens is that people show up when a project-specific proposal has come forward that is going through site plan approval. The Planning Act doesn't envision that that be a public process. Yes, many applications have to go through a rezoning in order to get there, so that becomes a public process. The Planning Act envisioned that, and it envisioned a limit to that. It's those limits that we are either changing to make greater or removing entirely. I think that that takes away the balance.

It's like saying, "Okay, we're going to fire the cops because we're getting too many speeding tickets." If we do that, yes, we'll get fewer speeding tickets, but I guarantee you, you'll go faster too. You're not solving the underlying problem.

**Ms. Mitzie Hunter:** So you're saying that the community actually has an opportunity, and it's probably the city's responsibility to engage them much earlier in the process—so when we're going through an official planning process, secondary plans and zoning.

A totally different question, and I'm hoping, from your background and your expertise, that you can comment on this; I've been wanting to ask this question for a while. It's around heritage concerns. Do you see that having an appeal body helps to manage and really preserve some of those considerations as well across the province?

**Ms. Sheena Sharp:** The association has met with the Minister of Tourism and Culture. Heritage concerns are unique because they have relied for ages on the slowness of the process in order to be able to designate buildings. We know from other places that designation has certain effects on land prices and land use. I think that the heritage concerns are vitally important. We need to preserve our buildings. This is part of the review that we have to have so they have more effective mechanisms, which also goes, by the way—a little suggestion—into looking at the tax structure and how that might help owners preserve our heritage and our culture.

**Ms. Mitzie Hunter:** That's great. In terms of a potential role of a local appeal body, I'd like you to comment on that, because it is making its way through the city of

Toronto's process; I believe it's at committee right now. Is there a role that you can see for a local appeal body?

**Ms. Sheena Sharp:** We hope that there is one. The current bill doesn't actually require the city to set one up. Absolutely, we think that there should be an appeal. We think that it should be accessible from a cost point of view. What we're talking about here is an appeal to planning expertise, so we do not understand what this appeal body will offer that the current OMB does not offer, and it will offer it at great additional cost, so—

**The Vice-Chair (Ms. Soo Wong):** Ms. Sharp, thank you very much for your presentation. Thank you.

**Ms. Sheena Sharp:** Thank you, everyone.

#### MR. LUBOMYR LAHODYNSKYJ

**The Vice-Chair (Ms. Soo Wong):** All right. Our final speaker for this morning is Lubomyr Lahodynkyj. I hope I said it correctly. Welcome.

**Mr. Lubomyr Lahodynkyj:** Close enough, ma'am.

**The Vice-Chair (Ms. Soo Wong):** Okay. Can you identify yourself for the Hansard? You have 15 minutes for your presentation. This round of questions will be from the official opposition party.

**Mr. Lubomyr Lahodynkyj:** All right. Thank you. Hello. My name is Lubomyr Lahodynkyj. I'm a resident at Wolseley, which is near Queen and Bathurst.

I became involved in the planning process due to a condominium that was proposed across the street from me. I've spent the last two years learning more about the planning process than I ever hoped or ever wanted to know. What I'd like to do today is go through my experience in the planning process with the city of Toronto, and I'd like to do that from three perspectives, one of which is planning strategy; another one is the management of planning; and the third is communications.

At the end of the process, I actually did go to the OMB and present there, and spent two days presenting and cross-examining, so I've had some experience at the OMB as well. To be honest, it was the only rational portion of the whole process, but that is, again, my opinion.

I have been actively involved both with the neighbours and the councillor, and with planning. I was on Lynda Macdonald's Sunday morning email list. With community associations, I actively participated in the Bathurst land use study.

I must confess that at the beginning of this I was of the opinion that the OMB was causing all the bad planning in the city of Toronto, but my aim in coming here is based on my experience. I want to offer some suggestions to make Toronto and Ontario a better place.

When it comes to Toronto's city planning strategy, what I expected was that city planning would define how the city is supposed to grow. What I experienced at first, when reading the official plan, was that it has specific rules and guidelines in targeted areas for growth but, upon deeper discussions with city planning, it became clear that the official plan is just a set of guidelines

followed only at the discretion of planning, and that the whole of the city is open to development. My belief is that, when it comes to strategy, city planning signs off on pretty much anything a developer wants, and that's why so few items actually do go through to the OMB.

When I looked at the aspect of managing the planning process, what I expected was that city planning should have forecast growth for specific areas, numbers to track the growth by each area, and a process introduced to manage growth in each area of the city, because managing a process means measuring that process.

What I found was that city planning only takes a count once a year for the city as a whole. It doesn't have any details by area. It uses the census to capture the actual growth and, when it looks at forecasts, it takes all of the development proposals that are in the pipeline and uses that as the forecast. There's no process, when you go through the land use study, which is looking at current zoning—that land use study does not offer any suggestions as to how much growth needs to be captured in that area and how that growth can be accommodated.

When it comes to management and planning, my belief is that specific targets and timely, detailed measurements are crucial to effective management, whereas city planning has no targets and no detailed measurements, so they cannot manage growth. Worse still, using all the development proposals as the forecast for growth just implies that everything that is put forward as a development will be approved.

#### 1010

The third piece of city planning that I wanted to talk about was communications. What I expected is that city planning would have clear documentation, a process to introduce and manage input from all parties, and a simple way to distribute information in a timely fashion. That way we could all understand what was being done and why it was being done. What I experienced is a labyrinth of documentation and rules that even planning does not understand. The city appears to have a process to manage input from the community, but they can ignore any questions or issues with impunity. Meanwhile, planning appears to maintain a continuous dialogue with development. There is no process to distribute information. Your best bet is to call up planning and ask them, but you have to do that on a daily basis.

I was acting as a focal for our neighbourhood, and I was never contacted about changes to any of the planning. And when you look at city planning's final report that goes to committee, there is no specific as to why a particular proposal or feature of that proposal is approved. There is no reference to a page or a paragraph in a guideline. It's just: "The city says it's okay."

So when it comes to communications, I believe that because there's no planning strategy nor a planning management process, city planning cannot have a successful communications process, because it doesn't have a strategy and it doesn't know how to manage that strategy. The result of that is that it makes it difficult for a community to understand why a development is approved,

which in turn generates all sorts of questions with city planning and the council—and trust me, they've heard lots from me on behalf of my neighbours. It just gives them all sorts of extra work and it causes frustration amongst the citizens.

Again, just to recap my experience, since January 2012 I've been almost in daily contact with somebody, either on the neighbours, city planning or the councillor, including, as I said, two days at the OMB. When I look at Bill 20, that's going to take out the only, in my opinion, rational process. That was the only place where there was active listening, where people actually recorded what was being said. They seemed to have rules and guidelines, and they were actually followed. But I've got a city planning process that lacks a strategy, lacks management control, has a woeful communication process. In my opinion, getting rid of the OMB is like giving a toddler the keys to your car.

However, it doesn't mean that there aren't things that could be fixed. When you look at the root causes to the issues that we all seem to bump into, and when you listen to the community—I'm sure you've heard this—the same issues crop up time and time again with every development. I see four things.

We have a planning process out of control. Rules and standards that are applied to development are those when the paperwork is filed with the city and not when the building is finished. City planning does not want to improve building standards, because each municipality has their own code. And six months sometimes is not enough time to review a planning decision. So, based on my experience, those are four issues, and I'll just briefly run through them.

The planning process is out of control because every proposal is an exception. Every developer wants to put forward a big building, because it generates more profit for them. The result of that is that city planning just goes through on all the processing rather than investing time in strategy. What I would suggest is that the OMB limit any review, and therefore city planning is able to limit any review, to something that's within 10% of current zoning. This will drastically reduce the current workload on the city, so they can create real strategy and put in place real controls. In fact, they can actually go, use the land use study to review and revise the zoning, and they can actually put in place measures to control. This will clarify and make visible, for both the developers and the community, the rules and the regulations. Then, if we just make sure that the rules and regulations are actually tagged alongside any decision, it will make it a whole lot clearer for us all.

The issue that rules and standards that apply when the development is first proposed to the city is—the only place I've ever seen this happen is in development. I've worked in a multitude of industries, and you have to follow the rules that are the rules of the day. I mean, I should be able to drive along the 401 at 130 kilometres an hour because I was driving along the 401 at 130 kilometres an hour when I first visited Ontario. Right?

Those are the kinds of strange rules that apply to developers. They favour the developers because it gives them older rules that they need to follow, disadvantages the city because they have to make up the shortfall in one way or another—and I just don't understand why that is. The OMB should do something about that.

The next issue is that Toronto city planning does not want to improve building standards. There are two causes for that. One is that developers complain, because they don't want to follow a new standard code, because it's different if they build it in Mississauga, it's different if they build it up in Barrie, it's different if they build it somewhere else. We should have a common set of standards. If you don't have them at the provincial level, then the development will move out of Toronto into Mississauga or into Markham because it's cheaper.

My suggestion is for province-wide standards on buildings to continuously improve. We're already well behind Europe. The proposal across the street from me gets its green designation because it has a patch of grass on the roof and it captures 25% of the rainfall. That's hardly an outstanding thing that we should be proud of. The benefit of imposing, increasing and improving standards is that it will reduce utility demands on those buildings and will generate work for within Ontario.

The last issue is that six months sometimes is just not long enough. However, if we only have to go through this exception process, if we only have to have planning approve anything that's within 10% of zoning and everything else is automatically kicked off the table, then the six-month rule should be sufficient. Or we can just hold off until city planning has enough staff to handle the six-month process.

In summary, there should be changes to the OMB process, but I think there should be a hard rule to say, "No planning goes through that exceeds 10% of the current zoning." The OMB is to enforce rules and standards that are in place at the time of those rules—how would you feel if you were flying in an airplane in 2014, but the airplane was built in 2000 and only has to follow the guidelines for the airplane in 2000? It doesn't make sense. The OMB is to also add to its mandate improved and consistent efficiency standards across the province and increase those efficiency requirements. And, sometimes, six months is not enough.

**The Vice-Chair (Ms. Soo Wong):** Thank you. There's two minutes for questions.

**Mr. Jim McDonell:** Thank you for coming out today. You talked about the zoning. Are you aware of just how old the zoning bylaws would be in Toronto, through your process?

**Mr. Lubomyr Lahodinskyj:** It doesn't matter. Right? The problem with the zoning isn't so much that it's old; I mean, that's just a distraction. The zoning is the zoning. If you want to change zoning, as I said, just put in a process to review the zoning with everybody concerned. That's what the land use study is all about. So you sit down with the community, with planning, with all the developers who are interested in that area, you go through and you agree on a new zoning.

City planning claims that it can't get more than half a dozen land use studies through in any one year because it spends all its time doing approvals and reviews. So you've got a chicken-and-egg situation. Everybody's going through the OMB because the current zoning is out of date; nobody can update the current zoning because they're always going to the OMB.

**The Vice-Chair (Ms. Soo Wong):** Mr. Lahodinskyj, we're finished. Thank you for your presentation.

Before we recess back to the House, there is a communication from the Ontario Association of Architects that I wanted to draw to the committee members' attention. The registrar has written to this committee, to the Clerk, with regard to the witness from last week. Remember, we had a witness last week. I want to hear the will of the committee. What is your desire about this particular letter? There is a letter from the Ontario Association of Architects to this committee with respect to one of the witnesses. Mr. Marchese, have you got a copy of the letter? I don't want to read the letter to you because it will take more than five minutes, but there is a concern raised by the Ontario Association of Architects, by the registrar, to this committee. I want to get some direction from this committee. Should this letter be referred to the subcommittee to get some direction? What is the will of this committee with respect to this letter? Mr. Prue?

**Mr. Michael Prue:** The first thing I think we need to do is to get the transcript of what Mr. Greenberg actually said. My recollection is that he said he used to be an architect or that he was a non-practising architect or something to that effect, but I can't remember verbatim what was said. I think before we do anything, I want to see that, and then I'm willing to make my mind up.

**The Vice-Chair (Ms. Soo Wong):** There's a suggestion from Mr. Prue to get the transcript. The Clerk has agreed to get the transcript. Are there any comments or questions? Ms. Hunter?

**Ms. Mitzie Hunter:** Thank you, Madam Chair. I would agree with Mr. Prue. What I heard him say was a reference to a context of his knowledge from the past, not a current practice. I don't think that was the intent at all.

**Mr. Rosario Marchese:** I don't believe he said he was, so I think we should get the—

**The Vice-Chair (Ms. Soo Wong):** Mr. McNaughton.

**Mr. Monte McNaughton:** I would just like to ask the question: Have we actually checked Hansard? Does anyone know?

**The Vice-Chair (Ms. Soo Wong):** The Clerk is going to check and get back to the committee this afternoon, so could everybody please arrive at 2 o'clock. We could put this right at the beginning and it won't delay the discussion. Thank you very much. We're adjourned until 2 o'clock.

*The committee recessed from 1021 to 1400.*

**The Chair (Mrs. Laura Albanese):** Good afternoon. The Standing Committee on Finance and Economic Affairs is called to order. As you know, we will be

looking at Bill 20. We're here for public hearings. We welcome our first witness. Good afternoon.

**Mr. Brian Graff:** Good afternoon.

**Ms. Soo Wong:** Madam Chair?

**The Chair (Mrs. Laura Albanese):** Yes?

**Ms. Soo Wong:** Just before we recessed this morning, I raised the issue of the Ontario Association of Architects' letter to the committee. I remember that Mr. Prue asked a question to the Clerk. Can we have a quick answer and then defer this item to after the witnesses so that we won't be behind with all the witnesses before the committee?

**Mr. Rosario Marchese:** We'll be behind, one way or another. We might as well deal with it, get it out of the way, and then continue with our witnesses.

**Ms. Soo Wong:** Okay.

**The Chair (Mrs. Laura Albanese):** As the committee members prefer.

**Ms. Soo Wong:** Okay. Let's hear from the Clerk. What did he find?

**The Clerk of the Committee (Mr. Katch Koch):** Committee members, I have laid on your desk the Hansard from Thursday, April 10. This is the verbatim transcript of Mr. Greenberg's presentation to the committee. I guess I'd like to draw your attention to the first page, bottom left corner, when Mr. Greenberg first took the mike. It says there: "I'm an architect, urban designer and president of the Wellington Place Neighbourhood Association." I'll leave it in the committee's hands.

**Mr. Rosario Marchese:** Ms. Chair?

**The Chair (Mrs. Laura Albanese):** Mr. Marchese.

**Mr. Rosario Marchese:** I have some comments about the whole thing. I reviewed the transcripts as well and had a chance to review the letter submitted by, actually, one of the deputants on behalf of the registrar, Nedra Brown. I have to say on the record that after I read the letter by the registrar of the Ontario Association of Architects, I was infuriated by the content of the letter. It's, in fact, ruthless, vicious and very intimidating. This registrar is attacking Mr. Greenberg, and I resent the attack.

The letter says: "I understand that Mr. Ken Greenberg attended and made submissions to the standing committee ... and held himself out as being an architect." That suggests that he isn't or never has been.

Then it says: "Mr. Greenberg is not an architect. He withdrew from the association more than a decade ago. He's not a member of our governing council and does not speak on the profession's behalf."

Not once did Mr. Greenberg, in the submission he made, ever say that he was representing anyone other than himself. While I will leave the severity of this from a parliamentary perspective, that troubles me: the severity of this.

In the second part of the letter, it says: "I would request the committee take into account this serious violation of the Architects Act," and then proceeds to say that

the association will be "taking action in this matter." This is serious, in my view.

Ken Greenberg, from the research that I've done, is an associate member of the American Institute of Architects as well as a fellow of the Royal Architectural Institute of Canada.

I looked up what a fellow is, according to their own guidelines. A fellow is "a member of the institute who has achieved professional eminence or has rendered distinctive service to the profession or to the community at large. Nomination and advancement to fellowship is administered by the college. A member must have been a member of the institute for at least five years prior to nomination as a fellow. Fellowship is bestowed for life and is one of the highest honours the institute can confer upon a member." That's what Ken Greenberg is.

He is also the former director of urban design and architecture for the city of Toronto. He's the recipient of the 2010 American Institute of Architects Thomas Jefferson Award for public design excellence. He's the author of Walking Home: The Life and Lessons of a City Builder, which is currently listed on the Sustainable Design Book Shelf page on the Ontario Association of Architects website. He was a registered member of the Ontario Association of Architects for over 25 years but is no longer a member, and as far as I know does not claim to be currently engaged in the practice of architecture in the province of Ontario.

I give this on the record, Madam Chair, and to all the members, as a way of saying to you that this attack by the Ontario Association of Architects on Ken Greenberg is serious. I don't know what motivated this association to do that, but it dismisses, diminishes and discredits Ken Greenberg in a way that I have not seen here in my 24 years as an MPP. I wanted to put that on the record to tell the members that this is an incredible, egregious violation of this person's reputation and rights.

We don't have to do anything, because I believe we don't, but I wanted to put on the record that this has hurt the reputation of someone who is highly regarded by many in his profession and outside of his profession.

**The Chair (Mrs. Laura Albanese):** Ms. Wong.

**Ms. Soo Wong:** Thank you, Madam Chair. I was hoping we'd deal with the witness, but it's fine if we're going to discuss this letter.

For me, there is a letter from this professional organization to this committee. Instead of labouring through more conversation or debate, or going through referring this matter to the subcommittee to make some direction for us, I believe that this issue is about the integrity of witnesses before all committees of this House in terms of their character, in terms of accountability.

I spoke to the Clerk after the recess this morning. I'm just concerned, as one member of this committee of finance—but all of us sit on different committees—about what is the history of past practices for committees when witnesses come before the House and express their credentials, or whatever it may be. The question that's

being asked—I need some direction—is, when they come before committee, are they required to be forthcoming, to be honest, with integrity about their credentials? Because right now we have a bill before the House about accountability. We also have to be mindful that although it's not testimony of the witnesses before this committee, it's the integrity of the presentations before all committees. I just need some direction.

But more importantly, because there's a letter from the Ontario Association of Architects to this committee—whether we respond or don't respond, as Mr. Marchese is suggesting—I'd like to see the Chair write to the Speaker and get some ruling about witnesses when it comes to their presentations to committees. There are certain committees that have hearings, so of course their information must be factual, truthful, but when they come before us on different bills, on different matters before committee, are they bound by the same rules or same requirements? Because right now, anybody can say, "I'm so-and-so." Yes, there are regulatory bodies. If there is somebody coming here before a committee about physicians, the College of Physicians and Surgeons—or myself, as a member of the College of Nurses. You cannot say you're a nurse if you're not a member of that college. So I would like to see, Madam Chair, that this letter be referred through you, as the Chair of this committee, right to the Speaker to get some direction, because I'm concerned about all the committees when witnesses come before the committee, that they make sure there is integrity and that the information they have provided is factual, clear and transparent.

**The Chair (Mrs. Laura Albanese):** Ms. Hunter.

**Ms. Mitzie Hunter:** Thank you, Madam Chair. I would like to speak to this. Having attended the last meeting and having heard from Mr. Greenberg, I really was surprised when I saw this letter, because I did not, in my understanding of his remarks, assume that he was a current practising architect in good standing with the association. I didn't feel that he represented himself as such. I thought he was giving a sense of his background and context for speaking. He didn't say where he was an architect, or we didn't ask. I am not sure why there's a correlation between his comments that he put forward before the committee and the association's sanction of him as violating a standard.

1410

It feels as if this is outside the scope of what we have been asked to do and consider based on his comments to us, based on his written submission and based on the question before us as a committee in terms of what we're reviewing, so I'm not sure this is the appropriate place to decide this particular matter.

**The Chair (Mrs. Laura Albanese):** Mr. Prue.

**Mr. Michael Prue:** Yes. I'm a little bit appalled by the letter from the professional association. Mr. Greenberg is quite clear. He came here wearing two hats, and he says so: I came here "wearing two hats, representing the Wellington Place Neighbourhood Association, but also as a professional in the field, having worked"—past

tense—"for 10 years as director of architecture and urban design for the city of Toronto under three mayors and for 26 years practising internationally on planning and design matters." It's all in the past tense. He did not state anywhere in the record that I can see that he is a currently practising architect, and I did not take him to be one.

Does he belong to this association? Obviously not. Does it render his testimony one iota less of value? Absolutely not.

What has caused me some question is: How much weight do I give to an organization that launched such an attack? If anyone has been hurt in this, I would suggest it's probably, in my view, the Ontario Association of Architects, because this was dropped on us without any opportunity for us to question them about it, and it was also dropped on us without giving him the opportunity to respond.

I certainly don't want to waste any more time than we already have, so I'm prepared to hear Mr. Graff.

**The Chair (Mrs. Laura Albanese):** Any more comments? Yes, Mr. McDonell.

**Mr. Jim McDonell:** Just quickly, I think that there's no reason for us to question. I think, looking through the transcript, he didn't make any such claim that he was a current architect. I think he showed, through his credentials, that he's well recognized in the field. If anything, I guess I'd question the letter that came to us. It does cloud our opinion, possibly, of the architect association. But other than that, I think we should just continue on.

**The Chair (Mrs. Laura Albanese):** As you have heard, I've been asked to write to the Speaker and I would like to know what the committee's consent is. Are you directing me to do that or—

**Mr. Rosario Marchese:** Ms. Wong, I'm not quite sure what that will give us, really.

**Ms. Soo Wong:** Madam Chair, my only question about this intent—just for the background for all the members—is the fact that this will not be the first time or the last time witnesses come before our committee or any other standing or select committee of this House. So the question is to provide some direction for members, but also for witnesses. Are they compelled or are they required—because if committees have hearings, of course they will supposedly swear an oath and blah, blah, blah. But the question here is, when witnesses come to our committee or any committee of the House, are they obligated? Because here is—

**Mr. Rosario Marchese:** But Soo, we don't compel—people come before us to read something or sign something before they come saying, "You swear that you are so-and-so and that anything you say can be turned against you or that you could face criminal"—I don't think we need to worry about that.

**Mr. Michael Prue:** And they're not under oath. They're not under oath like a witness in the justice committee; they're made to swear an oath.

**Mr. Rosario Marchese:** If anything, we should send a letter to the association censuring them for what they've done, because this really is an assault on an individual. It's as if this association uses its weight to crush some-

body in the same way that I've been attacking many of the developers who go to the OMB in terms of the weight they put on that forum. But that's another issue. We don't need to debate that.

Your motion doesn't help us; it really doesn't.

**Ms. Soo Wong:** Madam Chair, let me put it on the table. Because there was a letter sent to this committee, I think we dutifully say, "We received it." That's it. Acknowledge receipt, and that's it, because what I'm hearing from my colleague is that the merits of this letter do not need further direction, but we just acknowledge receipt. That's it, right? Because we don't want to say we didn't receive it—because it's on record that we received it this morning—and just leave it as it is. They can deal with it accordingly because that's the responsibility.

**The Chair (Mrs. Laura Albanese):** So therefore no action is required from the Chair or from the committee. Thank you.

#### MR. BRIAN GRAFF

**The Chair (Mrs. Laura Albanese):** Thank you for waiting patiently until this matter was debated. I just want to remind you that you will have up to 15 minutes for your presentation. If any time is left over, then there will be questions on a rotational basis from caucus. In your case it will, I think, fall to the NDP. You may begin at any point in time you feel comfortable. Please state your name and your title for our records on Hansard.

**Mr. Brian Graff:** Okay. Good afternoon. My name is Brian Graff. I'm a resident of the Beach area of Toronto. I've been a Toronto resident all my life and I'm here as an individual.

First, my background: I have a bachelor of environmental studies, a bachelor of architecture, and an MBA in real property and finance. I've worked for architects and, more recently, in commercial real estate, including six years working for Paul Reichmann.

**Mr. Rosario Marchese:** You'd better be careful.

*Laughter.*

**Mr. Brian Graff:** I am not a licensed architect, and I really object to what the OAA did, from what I've heard, because Ken Greenberg is well respected.

Since 2011, I have been deeply involved in local planning matters, but from the community side as part of several groups, including the Beach Residents Association of Toronto, which is nicknamed BRAT. In the last three years, I have filed OMB appeals, participated in hearings, and helped other people or groups regarding OMB matters. I support Bill 20 and urge that it be passed with few changes, before any provincial election occurs.

Toronto has to be the first step in abolishing or reforming the OMB. I wish we had the opportunity to devise a replacement, one which was based on what other provinces have put in place and which built upon the best practices of those other provinces' ways of handling urban planning matters without a powerful, unelected and unaccountable body like the OMB.

I was initially skeptical about this bill, in my belief that MPPs and citizens from outside of Toronto might resist the idea of giving Toronto special treatment that exempts us from rules that apply everywhere else. Of course, Toronto is governed separately by the City of Toronto Act. Toronto is a single-tier government, though rezonings are voted on twice: by a local community council and then by the full 45-member city council. So trying something here is easy to implement, and there can still be a second review of any planning decision at city council, even without the OMB. So Toronto is uniquely positioned to be the best place to do a pilot project, to try something different here first, which might then lead to wider reforms across the province once we have some actual hard evidence and experience to build upon.

Abolishing the OMB all across the province would be reckless. Smaller communities might not have adequate planning staff or elected officials and they might need additional oversight or review.

The recent review of planning matters that the provincial government has undertaken does not touch upon the OMB itself, so no major reforms of the OMB will occur in the near future. If no province-wide change will deal with the OMB, then, please, let's just do something for Toronto alone.

If Toronto is removed from the OMB's jurisdiction and it works well, then other cities like Hamilton or Ottawa could be allowed to follow, then Peel or York region and so on. It may be that as we move down towards smaller municipalities, fewer of the OMB's powers should be removed, with only the smallest municipalities being subject to all of the current powers of the OMB. If this bill is passed and then serious problems emerge, no doubt the government would rush to intervene, repeal it and restore the status quo.

In addition, the bill contains provisions for Toronto to set up a local appeal body, or LAB for short. Currently, the city of Toronto has the power to set up an LAB, but has not done so, in part because of the costs, and that an LAB would be limited to committee-of-adjustment matters. I'm confident that Toronto would set up an LAB if Toronto were removed from the OMB. This in itself would provide a means or a forum for testing different rules or reforms that could then be applied to the OMB itself.

As-of-right zoning is too easily changed: I heard numbers quoted that only 4% of applications go to the OMB. In other words, over 96% of applications result in the application being approved without an OMB appeal.

The as-of-right zoning on a property in Toronto is meaningless and little more than a fast-track for developers if for some reason they don't want extra height or density—like Shoppers Drug Mart or LCBO stores on main streets where those retailers don't want condos overhead. So nearly every major project requires a lengthy and complicated rezoning process that typically takes longer than the four to six months allowed in the Planning Act. This means that developers can go straight to the OMB before the city's planning department has

even finished a review, and the city council doesn't have a say at all because the OMB has "taken carriage."

1420

The fact that as-of-right zoning is rarely enforced in turn means that when the city of Toronto does do a planning study, the city's planners and politicians alike are afraid to rezone land. The city would rather wait for rezoning applications to come in on a property-by-property basis than rezone larger areas all at once to implement recommendations. No matter what maximum height or density is determined to be perfect, inevitably developers will try for even more, treating those maximums as minimums.

The cost of a rezoning and OMB appeal is worth the risk, given the odds of success. Height and density can always be ratcheted up, and there's no way for the city to ever be certain that any maximum is permanent. If a homeowner wanted to double or triple density, they would be refused, while on other property types, city planners have no problem with such large increases. It's a double standard, and it leads to a lot of confusion.

This current system means that some areas are under-zoned for height and density, while others are zoned properly, but there's no clarity. Residents assume that current zoning is and can be enforced. Developers always assume that land is under-zoned.

A key problem with the OMB is that it hears each case de novo, with no direct reference to other OMB cases. So there is no consistency between the OMB's own decisions. A developer can argue that property X is an exception to the rule, and the OMB will approve it. But then another developer will come along and argue that site Y next door should have the same height and density as property X, ignoring all the reasons why property X was approved as an exception to the rule, and it was not intended to be a precedent.

Removing Toronto from the OMB would let the city pass appropriate heights and densities instead of having under-zoned land, which is what happens now for fear of future over-intensification under the current planning process, which includes the OMB.

**Accountability:** Politicians in Toronto say that they would prefer to vote against a development on many occasions but their hands are tied because of the OMB. They can pass the buck. What is never mentioned is that the current process also gives too much power to unelected city planners on city staff. If city staff recommend approval of a project in their final report, the elected politicians are caught in the middle between the planners and the OMB.

In May 2012, at the Toronto and East York Community Council statutory public meeting on the Lick's development at 1960 Queen Street East, there was massive community opposition to this project. The councillors defended why they were reluctantly voting for the project, despite their feeling that it did not fit into an area which Adam Vaughan had said was screaming out to be a heritage area.

City councillor Janet Davis described the situation as one where, with a city planning staff report in favour of

the project, it would be a David-and-Goliath fight that would be a hard slog to win at the OMB, given that city staff would be called by the developer. This would require the city to call outside planners to provide an opinion, which would obviously cost extra money.

Essentially, elected politicians in Toronto blame the OMB and the councillors have less power than the staff, who are only supposed to be advising council. Somebody with a four-year university degree and a couple of years' work experience should not have the power to tie the hands of elected officials. Urban planning is not a science; opinions are highly subjective.

What is worse is that, even if planning staff write a report refusing rezoning and it does go to the OMB, if the developer makes a compromise offer at the last minute or during the hearing and the planner for the city is willing to accept that compromise, then the city itself has essentially lost the appeal, merely because of the opinion of one planner on staff, whom they had entrusted.

Adam Vaughan said this about the need for the province to change the rules:

"And, you know, the ability to say 'no': There's not a councillor around this horseshoe that would not like to assume that power and be held accountable for every brick that's placed in our neighbourhoods. Trust me; if I could snap my fingers and the only time I even think about running for a seat at Queen's Park is when it's thinking about reforming the planning process.

"Why no MPP has ever tackled that issue is beyond me. Every one of their constituents screams at us to get it done...."

If this bill is passed, it will answer what members of Toronto council have expressly asked for: to be held accountable.

The OMB micromanages planning matters and hears cases on a de novo basis, essentially ignoring council decisions and debates, starting from scratch, unlike a normal appeal in the courts, where judges look for errors. The same power that the OMB exercises does not apply to other matters that come before council.

Why does Ontario need the OMB? Why is there such distrust of our municipal politicians when it comes to planning, unlike other provinces or countries? No other province has a tribunal with the same powers and ability to interfere in planning matters as the OMB here in Ontario. Consider for a moment Paris, France. If Paris was here in Ontario, there would be 80-storey condos overlooking the Eiffel Tower, the Louvre and all the beautiful sites of Paris.

The cost and lack of fairness when fighting the OMB is a major problem. There is no point in appealing to the OMB unless you can afford a lawyer and planning experts. Residents do not profit if they win, lack financial resources and often have but a couple of months to prepare, unlike the developer, who has had several years and has everything all set up.

The OMB largely bases its rulings on so-called "expert" opinion, but there is no policing if the experts are not impartial, and no recordings or transcripts with

which to ensure that testimony is proper and is, in fact, fair, objective and nonpartisan. My experience is that experts for the city have no incentive to oppose development other than to be consistent with what their department supports. If anything, my experience is possibly one of “regulatory capture,” which is that the city planners tend to see their job as facilitating development rather than being sticklers for enforcing rules—and every rule and policy can be bent. I’m dealing with that, actually, this week.

Meanwhile, at the OMB—or before it gets that far—experts on behalf of developers never go against the financial interests of their clients. Their opinion on any grey area or interpretation always seems in favour of their client. Urban planners in private practice dare not bite the hand that feeds them, or they’ll soon be out of business.

Some experts, like architects and engineers, hired by the developer—more so than planners—stand to gain financially if the project is built. Can they really be impartial if they have potential financial interest in the outcome? What is worse is that when the city hires outside planners to do a study, after the study is passed by council the outside planners themselves hire themselves out to the private sector to undermine their own study, using their authorship to trump the city’s own staff.

If you are not sworn in as an expert, your testimony essentially counts for little or nothing. This is not true before an elected body, like this very committee. I certainly have the background to be sworn in as an expert, but unless a “party” chooses to have me testify, as a “participant” my opinions have counted for little or nothing at the OMB, despite the expertise and many hours of hard work I’ve put in.

We have to remember that planning is not scientific and is largely subjective. Planners are often wrong, and people forget that Jane Jacobs, perhaps the name most associated with good planning, was a journalist, not a planner, and was an opponent of orthodox planning opinions of her day.

Similarly, it was planners who wanted the Spadina Expressway built. It took political interference in the planning process by Bill Davis to stop it. The province has taken away its own powers to intervene like that again; it is only fitting that it give power back to other elected officials at the municipal level to ensure that there is some accountability to the electorate.

The OMB is an intimidating institution. The materials the OMB publishes to help citizens fail to adequately convey the obstacles and rules of the OMB, which are often applied in ways that discourage participation. Even if it is a minor matter between two neighbouring homeowners, a person with more funds to hire proper legal counsel and experts will prevail.

The OMB is not well understood by opponents, including neighbouring landowners. Some people do not appeal because they are not well informed and succumb to threats that the OMB will approve something even

bigger than what is before council, despite changes in 2006 to the OMB rules; or because people have not followed the rules to get on the record; or groups fail to incorporate—if you’re not incorporated, residents’ groups generally won’t be accepted.

Rules put in place have limited the rights of citizens more than the proponents—developers. There is no certainty that if you want to participate in the hearing, you will be granted “party” status, and could instead just be granted mere “participant” status, which confers few meaningful rights.

Then there is the issue of costs against people who appeal to the OMB. There is a private member’s bill, Bill 83, on SLAPPs—strategic lawsuits against public participation—but as far as I know, it does not cover the OMB. I know developers who have threatened people with costs if they appeal to the OMB or have threatened appellants with costs to prevent any court appeal, or section 43 appeal, if an OMB ruling favoured the developer.

My own experience is that the threat of costs or threats of getting something worse than the application that was before council have caused some people to stop fighting a rezoning. They just give up and not appeal and fight beyond council itself.

**The Chair (Mrs. Laura Albanese):** You have about 30 seconds left.

**Mr. Brian Graff:** Okay. I have myself had an application for costs against me.

Finally, good is not good enough. What we build today will be there for hundreds of years. Planning should be based on the precautionary principle that good planning practice is not enough, that we need to strive for the best rather than good enough. The OMB gives thumbs up or thumbs down, like Siskel and Ebert. The Eaton Centre took two decades to get built, with many redesigns, and it still is not right.

**1430**

If a law is rejected by a provincial or federal Legislature, it cannot be appealed to the courts. Yet, when it comes to real property rights and the desire to increase permitted height and density, we allow property owners to appeal refusals to pass a bylaw, or even a lack of speed in reaching a decision. I would prefer a bill which would only allow the right of appeal if a municipality passed a bylaw. Until we come up with something with an OMB, I am content to leave it to city council or a LAB to have the final word.

**The Chair (Mrs. Laura Albanese):** Well, thank you very much for your presentation before the committee today. We really appreciate your time and your patience.

MR. NICK ELSON

**The Chair (Mrs. Laura Albanese):** I will now ask for our next witness to come forward: Mr. Nick Elson. Good afternoon. Please make yourself comfortable. You will have up to 15 minutes for your presentation. Should there be any time remaining following the presentation, the questioning will be done on a rotation by caucus. In

this round, it would be the government side asking questions. You may begin at any point in time. Please state your name and your title. The floor is yours.

**Mr. Nick Elson:** Yes. My name is Nick Elson. I coordinate a network of people concerned about the OMB, based mainly in Toronto but with representation from various other municipalities in the province. Our perspective is province-wide, as we believe it needs to be.

Thank you for the opportunity to address the committee. I have circulated my remarks, which may be in front of you. I'm going to speak today in fairly broad strokes because, although my home base is the St. Lawrence Neighbourhood Association, where we have many issues that have provoked a lot of people's concern about the OMB, I'm speaking today in fairly broad strokes.

We urge this committee and the parties represented here to support the passage of Bill 20. Ideally, we seek the complete removal of the OMB as an appeals body in planning decisions in the province, but regard Bill 20 as a good first step towards that goal. To borrow from the title of Bill 2, it's time to return planning accountability to local municipalities.

It is our view that it is well past time for the city of Toronto to be removed from the jurisdiction of the Ontario Municipal Board. This is an unelected, unaccountable, politically-appointed body which has served no useful purpose since 1906, when it was required to adjudicate transportation issues between municipalities.

Those who speak in support of the OMB frequently refer to it as an objective, neutral body. This is a fiction, as illustrated by a reading of its history and its decisions. It has demonstrated repeatedly its willingness to make its own policies, normally the purview of elected representatives.

You will have heard, in the course of these proceedings, from organizations representing builders and developers indicating that the OMB is crucially important to their successful operation, and indeed it is. To quote from an earlier statement from the Building Industry and Land Development Association, "BILD continues to support the essential role the Ontario Municipal Board plays in the development approval process."

This committee must consider why there is considerably less enthusiasm for the OMB from municipalities and community groups. We suggest that this points to a fundamentally flawed system. Merely tinkering with the OMB is not the answer. The recent exercise carried out by the Ministry of Municipal Affairs and Housing on the land use planning and appeal system has made this clear, as did earlier modest changes made to the OMB in 2007. Even though, for reasons that are unclear, discussion of the OMB was specifically excluded from that recent consultation, the reports of those hearings make it quite clear that those participating brought it up anyway, and in mostly negative terms.

As long as the OMB continues to function, discussion of serious reform of planning issues is pointless.

We recognize that instances can be cited where the OMB has made decisions that work in favour of a

neighbourhood and against developers. Unfortunately, as the record indicates, the majority of OMB decisions favour developer proposals. Although it may well be the case, as many argue, that this is because developers are simply better resourced to hire lawyers and planners to appear on their behalf, this is only part of the story. An equally important factor is the manner in which the OMB operates. As a quasi-judicial body, the OMB has no sense of local conditions and circumstances. Members never visit sites affected by proposals and have no sense of, or interest in, how a proposed development might actually impact on a neighbourhood in real terms.

As a result, the OMB can approve buildings with heights and densities many times greater than those allowed in the official plan. As you've heard from many other speakers, once such a development is approved, it is regarded as a precedent, and the next proposal can point to that as the reason why it should receive even greater density or greater height.

We have had developments which have been negotiated between the city, the community and the developer, and the result has been a project that has reflected and responded appropriately to the community and its surroundings. Unfortunately, these tend to be exceptions. The more typical development is one which is sprung upon the community with little advance notice from developers who see themselves as having no obligation to consult or consider the context within which they want to build. Each unimaginative glass box is announced with fanfare more suited to the building of the Louvre than one more cheap condo.

We do not entirely fault the developers. While obviously we would like to see more sensitivity to location and community, their job is to make money and maximize the return on their investment. If asking for 40 more storeys than the zoning allows for helps to assure this, that is what they will do. Such is the confidence that they will get approval that it is now becoming increasingly common for the developer to open sales offices well before approval for the project is obtained.

Ironically, as members of this committee have no doubt heard, while the OMB was at one time seen as a cost-effective alternative to the regular court system, the cost of presenting a detailed argument with legal and expert representation is now prohibitively expensive for most community groups and even municipalities. It does seem that those with the largest pile of drawings, studies, legal documents and legal representation win the day at the OMB. Some wonder if the court system might in fact, in some cases, be even cheaper and certainly fairer.

It is interesting to note that one of the persistent themes in the reports on those recent Ministry of Municipal Affairs planning review hearings was the call for financial support for citizens wishing to appear at the OMB—clearly an attempt to level the playing field and make that body more accessible.

Developers, on the other hand, can simply incorporate their OMB hearing costs into the price of the condos they are selling. It is increasingly the case that, at the first hint

of questioning of a project proposal by the city or by community groups, developers move directly to the friendly arms of the OMB. A trip to the OMB is now simply a cost of doing business.

The result for downtown Toronto has been particularly damaging. The historical Old Town area is well on its way to becoming the proverbial forest of condo towers, and original historical buildings are being demolished. In effect, as you have heard from other speakers, developers have taken over city planning. Each time secondary plans are overturned at the OMB, the city loses more control over planning.

Another argument will raise the question "With the OMB gone, what will we replace it with?" We have described already the problems caused by the OMB. The argument that Ontario municipalities cannot resolve planning disputes at the local level through open consultation and discussion among those involved fails for the simple reason that, taken to its extreme, OMB-type bodies would logically determine all issues affecting our lives.

1440

We are realistic: We recognize that removal of the control of the OMB will not solve all the planning and land use problems facing the city of Toronto. While the city is perfectly capable of establishing an appropriate appeals body that will be accessible and able to consider all sides, there will of course be people who are unhappy with some of the decisions that body makes. This is inevitable. But to suggest that the largest city in Canada is unable to establish a suitable appeals body takes us back to the days of the Family Compact. More importantly, the removal of the OMB returns planning accountability to the city and elected politicians, where it belongs.

There will be arguments that Bill 20 should fail because it singles out Toronto. While, as noted earlier, we believe that the OMB should be eliminated completely, Bill 20 establishes an important precedent, and a simplistic argument to dismiss Bill 20 because it focuses on Toronto should not be taken seriously. One response to that objection, of course, would be to amend the bill to cover the entire province.

We note, as others have, that the OMB is unique in its scope and powers in Canada, and yet somehow other municipalities outside Toronto seem able to manage their own appeals on building and land use issues, and Toronto should be able to do the same.

Proponents of the OMB have a tendency to accuse anybody opposed to a development proposal of NIMBYism, as if this were somehow an unassailable counter-argument. But lazy accusations of NIMBYism obscure the fact that there are fundamental and legitimate reasons why citizens most impacted by development, who walk the streets of a neighbourhood, who shop at its businesses and meet in its parks, should raise questions about a proposal by a developer that shows no understanding of context or community. If citizens had no care or concern for the quality of life in their neighbourhood, there would be no objections to development. Developers generally

do not live in the areas they build in and hence do not live with the traffic-generating, sun-blocking and wind-tunnelling effects of their buildings.

The passage of Bill 20 would signal a shift in responsibility and direction for the city that will, in the long run, make the city a better place to live and help to stop its current decline as a livable city. With respect and thanks.

**The Chair (Mrs. Laura Albanese):** Thank you for your presentation. We have about four minutes left. To the government side: Ms. Hunter?

**Ms. Mitzie Hunter:** Thank you, Madam Chair.

Thank you very much for your presentation and the thoughtfulness you've put into providing a written submission. I wondered if you could talk about where disputes between the parties would be resolved. In your view, where would they best be addressed? Oftentimes when you have these types of tensions, there needs to be that neutral place where they have to be explored and talked about.

**Mr. Nick Elson:** Well, I have faith in the democratic and community process. I think that the movement which has begun towards a locally based appeals body in the city of Toronto is a model of how the resolution for this might very well play out. I know the spectre is raised that we're all going to go off to court if the OMB is somehow done away with. I think that shows a fundamental lack of faith in the democratic process. Democracy is not pretty. People are often upset and unhappy about decisions which are arrived at, but the essential strength of the planning process, the essential process by which communities become vibrant, responsive and livable communities, is by decisions made at the local level, not by an abstract body with an adjudicating function that looks strictly at letters of what it perceives to be the law and not at what the situation is on the ground.

So my faith is in the establishment of local appeals bodies with expertise and representation from all parties affected, and a considerable amount of faith in people's ability to arrive at agreement on solutions. At the moment, that process is undermined and skewed by the relative ease with which parties can go to the OMB and the OMB can make decisions on behalf of people who should be making the decisions themselves.

**Ms. Mitzie Hunter:** I just want to quote from the current city planner, Jennifer Keesmaat, who says, "Contrary to what some might believe, the city is not beholden to the OMB. The city can create its own appeal body," which it's in the process of doing now; it's at committee.

**Mr. Nick Elson:** Yes.

**Ms. Mitzie Hunter:** There are costs involved in that as well, to set it up as well as for ongoing management.

She also goes on to say that only 4% of applicants end up at the OMB; a vast majority do not. And "we win"—she's referring to the city winning—50% of those that do go forward for appeal.

**Mr. Nick Elson:** You know, I think those numbers deserve to be looked at quite closely, because different areas are impacted in different ways. A very high percentage of cases which are decided favourably for the

city are truly minor variance issues: small issues of fence height, deck-building and things like that. We're less concerned about that.

What we are concerned about, and perhaps this is included in the 4%, is those decisions which allow a 55-storey building in an area which is zoned for eight or 10. This is simply happening too infrequently. So you can't just take the numbers as a statement even for the whole city, never mind the province. Impacts differ significantly depending on where those developments are taking place. We have developments—

*Interjection.*

**Mr. Nick Elson:** Almost finished. We have developments in our area which would be much more appropriate at the 401 and the Don Valley Parkway than they are in the historical area of the city, and yet we are besieged in that area by developer applications, every single one of which requires a major variance from the zoning.

**The Chair (Mrs. Laura Albanese):** Thank you very much for appearing before our committee this afternoon. We appreciate your testimony.

**Mr. Nick Elson:** Thank you, Madam Chair.

#### TORONTO ARCHITECTURAL CONSERVANCY

**The Chair (Mrs. Laura Albanese):** I will now call on our next witness, the Architectural Conservancy of Ontario. Good afternoon.

**Ms. Catherine Nasmith:** Good afternoon.

**The Chair (Mrs. Laura Albanese):** Ms. Nasmith?

**Ms. Catherine Nasmith:** Yes. I just want to clarify: I'm here speaking on behalf of the Toronto branch of the Architectural Conservancy of Ontario, which is a branch local to the city of Toronto, without getting into the structure.

**The Chair (Mrs. Laura Albanese):** Okay. So, as you've heard, you will have up to 15 minutes for your presentation.

**Ms. Catherine Nasmith:** Thank you. I'm here as the president of the Toronto branch of the Architectural Conservancy of Ontario and as someone who has been active as a citizen and an architect in Toronto planning for 30 years. I am a registered member of the Ontario Association of Architects; in fact, I was given the Order of da Vinci for my work in the profession. I am well known for my expertise in traditional urban fabric.

The ACO celebrated its 80th anniversary last year.

I was involved in founding the Doors Open program in Toronto, Ontario, and Canada. With many others, I worked to strengthen the Ontario Heritage Act in 2005.

I'm a past chair of the Toronto Preservation Board and a past president of the Architectural Conservancy of Ontario. I am currently the Ontario representative on the Heritage Canada National Trust board, and was a founding member of the Main Streets Advocacy Group and the Friends of Fort York.

I make my living, such as it is, as the principal of a micro-architectural practice specializing in small-scale

building projects and heritage planning. I've completed several heritage conservation district plans in the city of Toronto.

My contributions to the field have been recognized with both the Queen's Jubilee and Diamond Jubilee medals. I am also a recipient of the Jane Jacobs Prize for my contributions in the field of heritage. In my spare time, I publish Built Heritage News, an e-newsletter with about 2,000 subscribers across Ontario and Canada.

Sorry for the long bio. All of that was to establish that I have hard-won expertise in how the OMB interferes with planning in Toronto and other parts of Ontario. Today I will focus on Toronto.

Heritage conservation is not just about the historic fabric—the built form—but about the way of life that that fabric supports. In spite of a strong Ontario Heritage Act, the Ontario planning system militates against heritage conservation in several ways.

OMB decisions contribute to problems but are not the only factor in the loss of heritage property and, with it, the loss of historic patterns of life. The OMB plays a significant role in the block-busting of neighbourhoods and the destruction of our traditional urban fabric. The previous witnesses spent a great deal of time outlining how that happens, so I won't repeat that.

Older Toronto is eminently livable and walkable, built at a density that supports streetcars. OMB-approved replacement buildings at completely inappropriate densities are overwhelming Toronto's transit and sidewalks and creating awful wind and shade conditions. Precedents have been set for the "new normal" of 40, 60, 80 storeys, even by OMB decisions that specifically claim that they are in no way setting a precedent, such as the one permitting 36-storey towers next to Fort York. I was very heavily involved in that OMB case.

#### 1450

Small entrepreneurs and businesses are being forced off main streets, replaced by endless condos and larger corporate retail. Where will small businesses start? Already Toronto is seeing mass migration of our artists and creative entrepreneurs.

The OMB distorts Toronto's planning processes. A large proportion of the city's planning and legal resources go into OMB hearings, leaving the city with insufficient ability to actually plan its future, including the future of its heritage buildings. That creates a vicious circle of escalating densities wherein the city is continually trying to make sense of OMB decisions that completely alter plans on which it and its residents had spent years. No wonder the city of Toronto is begging the province to get off the merry-go-round.

OMB members may have limited expertise in planning, let alone expertise in Toronto or heritage matters, and rarely take advantage of the ability to have representation from the Conservation Review Board when an application involves heritage.

I'll just touch on some other factors that contribute to heritage losses. Other factors under provincial control

contribute to heritage losses, some of which are also factors in destructive OMB decisions.

The Places to Grow Act: According to the Places to Grow Act, heritage shall be conserved where feasible."This is very different language from the language of the PPS, which states straightforwardly that heritage "shall be conserved"—period. This change has led to heritage being given second place in redevelopment decisions which end up at the OMB.

Conflicting policies in PPS: The heritage "shall be conserved" clause in the PPS is routinely trumped by the PPS intensification policies, which at a minimum are creating out-of-scale development in historic areas and, at worst, obliterating huge tracts of Toronto.

OMB decisions lead to inflation of property taxes. MPAC makes its tax assessments based on recent planning decisions in an area, including those made at the OMB, not on the basis of existing zoning or buildings. Evaluations based on "highest and best use" are making it impossible for long-standing businesses, particularly ones renting premises, to survive. Often, "highest and best use" is speculative, based on OMB decisions in an area. You'll have read this last week the story of a mom-and-pop corner store at Roxborough and Yonge that was forced out of business by tax hikes that are based on potential for OMB-approved redevelopment.

My friend Margie Zeidler, the owner of 401 Richmond, Toronto's haven for artists and incubator businesses, spoke recently against the Mirvish-Gehry proposal, fearing that a new normal of 80 storeys would make it impossible for her to keep rents affordable. Her concern was about the impact of this constantly escalating development on tax bases.

Another point I want to raise here is cabinet failure to declare a provincial interest. This came up in the case of 21 Avenue Road and the impact on the views of Queen's Park, which I had a large hand in arguing for. Cabinet failure to declare a provincial interest in the 21 Avenue Road case contributed in a major way to the OMB-approved development that will have negative impacts on the views of Queen's Park from the ceremonial route along University Avenue. The failure to declare a provincial interest in the case left the Speaker to defend those views with no greater powers than any other citizen of Ontario. The ACO is still asking this government to pass a bill protecting that clearly provincially significant viewshed and cultural heritage landscape. I realize that's not the subject of this hearing, but I never miss a chance. The city of Toronto has subsequently put limited views protection into its official plan, but here's the rub: No matter what policy the city of Toronto might put in place, they are open to challenge at the Ontario Municipal Board. Sooner or later, the developer with the right lawyer and facing a pro-development OMB member will dismiss that protection.

Two reasons the committee should support Bill 20: Bill 20 is not a fix for all the issues that originate in provincial policy facing Toronto heritage, but freeing Toronto from the OMB would be a step in the right

direction. It would let the city of Toronto develop a complete local planning system tailored to its unique needs as Canada's largest city. To be respected locally, it would have to include expertise in planning, architecture and heritage law, and be organized to level the playing field between development and community interests.

And the most important reason: It's the overwhelming wish of the city of Toronto to manage its own affairs, as expressed through the council vote of 34 to 7. Thank you.

**The Chair (Mrs. Laura Albanese):** Thank you very much. We have about six minutes for questions. Mr. McDonell.

**Mr. Jim McDonell:** Okay. One issue that we have with the bill is that it doesn't propose a solution other than the courts if we abolish it. It removes the right for many groups to actually oppose developments because it can make it too expensive to actually bring it to court.

**Ms. Catherine Nasmith:** I would put to you that the city of Toronto is a grown-up place. If that became the case, the city of Toronto has the power to set up a body that works for the city of Toronto, which would address that issue and which could also address some of the other things that just are not working in the current model.

**Mr. Jim McDonell:** I also hear that some of the problems with the system today are that the zoning bylaws are out of place. I would think, as a former mayor, those types of things are critical. If we want to be determining our own future, we have to make sure our documents are up-to-date instead of letting, as you say, an unelected board make decisions based on, I guess, our inability to put a guiding document in place.

**Ms. Catherine Nasmith:** Well, plans being out of date: That has many sides to it. For example, the case at the Ontario Municipal Board around the Fort York heritage area: The plan was five years old. I mean, that was not out of date, but it was overturned. In the case of the zoning along a main street, maybe 10 years ago the city went through a really, really long and involved exercise looking at the downtown main streets, which are largely full of two-and-a-half-storey to three-storey coverage, mixed commercial and residential. Everybody agreed that was pretty good and that we wanted to keep that. So the zoning was set not to create incentives to destroy things that were already working.

The argument that is being made now is that if you haven't reviewed it or changed it in the last five years, i.e. up-zoned everything, the city is failing. I don't think that argument makes a lot of sense. Particularly for the city of Toronto, a five-year window for reviewing plans is just not realistic. The whole idea of planning is to plan for the future, for a long time out. That's a lot further than five years. So I'm not sure how out of date zoning can be.

**Mr. Jim McDonell:** I guess I might suggest that your official plans are not five years out; they're actually much farther out than that. But you have a chance to update them every five years. We've heard stories of—

**Ms. Catherine Nasmith:** It takes five years to do that.

**Mr. Jim McDonell:** —zoning amendments being more than 50 years old. I would think a lot has changed in 50 years.

I certainly think that studies should be done here. I question the OMB overruling documents. I shouldn't be lecturing, I guess. But we have to make sure documents are up-to-date so that they can make a fair decision.

**Ms. Catherine Nasmith:** To that point, I think if the city were to, every five years, go through and say, "Yes, that's okay; we like that, and we don't need to change that," that would probably satisfy it.

But one of the things I've observed is that if you call the planner on anything, they're at the OMB. So much of the resources and time of staff is spent at the OMB that there isn't actually time to do on-the-ground planning.

This week, for example, I attended a planning meeting on the future of College Street. The city is trying to put into place appropriate zoning for College Street. I think, when we go through that exercise, we would conclude that—and we're doing that in the face of a current OMB application. College Street is like this. It's the edge of the university. It has great dignity to it. We're sitting on it in this building. We're facing something like this that's at the OMB, and the city has fought really hard.

## 1500

The OMB process gets so far ahead of the realistic rhythm of planning that the city should be, could be and would like to be implementing that I would guess the results of the current planning exercise on College Street are going to say, "Well, the existing zoning is pretty good. We might need to change it on six or seven properties that are vacant," but the developer is going to go to the OMB and say it's busted: "There's no plan here, because it's five years old."

**Mr. Jim McDonell:** My understanding is that the OMB is trying to enforce provincial policy statements put together by this government, but, of course, they haven't given the opportunity for the cities, for instance, to be able to take those new policy statements and actually have a chance to incorporate them into their plans. That seems to be an issue.

**Ms. Catherine Nasmith:** Yes. Certainly a lot of municipalities are playing catch-up.

**Mr. Jim McDonell:** And so decisions are being made based on new policy statements where the plans haven't caught up. Any comment on that? If the official plans were actually reissued so that the city could decide how they will work with the new policy statements—

**Ms. Catherine Nasmith:** I think Guelph and Oakville are the two cities that I can think of that have done a really good job in getting ahead of that and figuring out, "That goes there; that goes there; we're keeping this." They've gone through that process and have got really good documents in place.

In the city of Toronto, there's just so much development pressure. Some of you in this room are old enough to remember the 45-foot bylaw that Crombie did. That wasn't really about saying it's going to be 45 feet; it was

just like, "Give us a break. We need time to plan." I think that's the situation the city of Toronto finds itself in.

**The Chair (Mrs. Laura Albanese):** Well, thank you, Ms. Nasmith, for appearing before our committee this afternoon.

**Ms. Catherine Nasmith:** You're welcome.

## WEST QUEEN WEST BUSINESS IMPROVEMENT AREA

**The Chair (Mrs. Laura Albanese):** I will now call on the West—Queen West Business Improvement Area.

**Mr. Rob Sysak:** West Queen West, just to let you know. Thank you.

**The Chair (Mrs. Laura Albanese):** West Queen West. Correct?

**Mr. Rob Sysak:** Yes.

**The Chair (Mrs. Laura Albanese):** Mr. Sysak?

**Mr. Rob Sysak:** Correct. Thank you very much.

**The Chair (Mrs. Laura Albanese):** Good afternoon. So, as you've heard from the other participants, you will have up to 15 minutes for your presentation. Should there be time left over, that will leave some room for questioning.

Just state your name and your title, and you may begin anytime. Thank you.

**Mr. Rob Sysak:** I will, thank you. My name is Rob Sysak, and I am the executive director of the West Queen West Business Improvement Area, the 17th-most-stylish neighbourhood in the world.

Good afternoon, Madam Chair and committee members. I want to thank you for allowing me to speak here this afternoon. I'm not going to speak for long, because I'm quite sure that all the things that have needed to be said have probably been said, but I did and I do believe that it's very important to come today to support Mr. Marchese's bill, because I believe it's a very important bill, and I believe I'll be speaking from a perspective that could still be very helpful.

As I mentioned, I'm from the West Queen West Business Improvement Area. We run on Queen Street West from Bathurst to Gladstone Avenue, and we're known as the art and design district.

Simply put, a business improvement area is an organization of commercial and industrial property owners and tenants in a designated district who have joined together with the approval of the city to form a self-help program to help stimulate business in their area. BIAs started in the city of Toronto in 1970, and in fact are Toronto's largest export to the world. I think that's kind of awesome.

The city of Toronto is the fourth-largest city in North America: Mexico, New York, Los Angeles, then us. But what's amazing about that fact is that, even though Toronto is the fourth-largest city, it's still known as a city of neighbourhoods. The BIAs make up those neighbourhoods: all 77 of them, and all 47,000-plus members.

The incredible success of the BIA model actually results from the fact that local issues are best dealt with

by the parties that are knowledgeable about and involved in those local issues. With respect to BIAs, it's the BIA members, the residents, the councillors and the developers, not the OMB.

There are countless examples of how successfully it has worked, but since Councillor Layton will be speaking later, I thought I would use this example:

One of our West Queen West members, the Dark Horse café—it's a coffee shop—had applied for a patio. There was some opposition from the local residents. After three months of deferral at council, and on a Sunday, no less, the residents, the business owners and Councillor Michael Layton came to the West Queen West office. After two hours of discussions, a plan was put in place. This was able to happen because everybody involved in that discussion was knowledgeable about the issue and, more importantly, was accountable to everybody in that room.

I'm quite sure the term—and I've heard it already this afternoon—"accountability" has come up often. I think that's very important to pay attention to. The chair of the West Queen West is Phillip Carter. He's a quite well-respected architect. He designed the Lillian H. Smith Public Library—the one with the griffins; not far from here—at 239 College Street. He has been an architect for more than 40 years, so obviously he has dealt a lot with the OMB. Like many others who have spoken to you folks, he does say that the high cost and the lack of accountability at the OMB is an important reason for this bill to move forward. But he also believes that one of the best benefits from this bill is that it's going to bring in place—here's that word again—accountability where it belongs.

The city of Toronto has an official plan. They have hired expert planners, and these city planners have knowledge of the local issues. These planners go over a developer's plan to make sure it fits with the city's plan. But no matter the decision that the planning department makes, the local experts, the folks who know this stuff, there's always the option of the OMB. Since the OMB is not accountable to any of the parties involved, a lot of the time the decisions are unfair and, I'm not afraid to say, illogical. They don't make sense.

So by removing the OMB, you're going to place the responsibility and the accountability on the folks and where it should be: the city of Toronto and the councillors. Again, the planning department, the experts hired by the city, who know the local issues and who are part of the community, are the ones to make the decisions. So if you remove the OMB, now if a councillor wants to oppose the decision of his or her own experts, they have to come up and explain to their fellow councillors and constituents the reasons for that decision. So if there is no OMB, again, the city of Toronto and its councillors are responsible and accountable.

Actually, last week something was brought to the attention of the West Queen West: that the Alcohol and Gaming Commission of Ontario had informed the city officials that it would no longer enforce a litany of condi-

tions currently attached to liquor licences in Toronto. An AGCO spokesman said it would now be up to Toronto's municipal inspectors to police issues not directly covered under the Liquor Licence Act.

The province has passed on to the city a responsibility of quite an important matter, a matter that was previously enforced by the province. So you folks, the province, have confidence in the city's ability to manage its own affairs. West Queen West shares that confidence.

Again, local issues are best resolved by the parties that are both knowledgeable and involved in those local issues and again, most importantly, accountable to the parties there. The city of Toronto and its council are a very capable group. Give them the responsibility. Make them accountable.

Just before I finish, it was mentioned earlier that the studies are a little bit out of date. There is a West Queen West planning study covering from Simcoe Avenue all the way on Queen Street to Dufferin. But the problem is the lack of resources. I'm not necessarily blaming the province, but to get those plans updated at the city will take some resources.

Again, I say, put the responsibility on the city. Make them accountable, please. Thank you.

**The Chair (Mrs. Laura Albanese):** Thank you very much. We have about seven minutes for questions. Mr. Marchese?

**Mr. Rosario Marchese:** Thanks, Rob, for coming.

**Mr. Rob Sysak:** You're welcome, Mr. Marchese.

**Mr. Rosario Marchese:** I'm not sure there's anything we disagree on, so it's hard to ask questions of someone who agrees with you. But one of the things that I share with you and others who have spoken, particularly Nick Elson, is my belief in the city to have the responsibility and the power to be able to do its own planning. I know there's conflict. There's going to be plenty of it; there always is. It doesn't matter what structures you have. We know that there are people who may not like the decision a planner has made. We know there are people who don't like a decision that a city councillor may have made. We know that there are people, developers in particular, who don't like communities that oppose their development proposals. There's always going to be disagreement.

My belief, like Nick's, is that we deal with that. That's what city councillors, planners and communities do. It doesn't mean all the problems will go away, but at least we say we have faith in that process to iron out the problems. Do you disagree with any of that?

**1510**

**Mr. Rob Sysak:** No; I agree completely because, again, that word "accountability" matters, because when it is on a councillor and whatever method that they come up with to have an appeal process, you'll be able, whether you're a developer or the residents or the BIAs, to make sure the people who are accountable are accountable. They're going to have to explain to you. Now, no offence to the councillors; if the decision is not their way, they can kind of side with the residents or side with the developer, knowing it's going to go to the OMB. That

makes it easier for them. I think when they have the accountability and they're completely capable—I deal with them all the time. I think it's important to do that; yes.

**Mr. Rosario Marchese:** Let me cite another example of another problem that other members have talked about. Mr. McDonell, in particular, raises the courts and talks about how it might be good to have the OMB because they're neutral, they're fair, blah blah, and they obey the law, blah blah. The example I often use, quite apart from Ottawa—there are so many other examples, but the one I like to use is the one in Kitchener-Waterloo, because the region created a plan and worked with the communities for 10 years to have an official plan that they all agree with and to intensify, which is consistent with the Places to Grow Act, a reference that Mr. McDonell made. The point is that they said, "We want to put aside 88 hectares of land for the intensification of these lands and in line with Places to Grow." The developer came and said, "We don't like that plan," and they put forth 1,000 hectares of land, which talked about urban sprawl. That defies the Places to Grow Act. It is inconsistent with the Places to Grow Act that the OMB ruled in favour of the developer.

Here's an example where they did not obey the law, in effect. They, in fact, defied it. But people still refer to the OMB as a place where you go and you get neutrality and a fair opinion, and where good planning happens, blah blah. How do you feel about that as an example of how it might work against you?

**Mr. Rob Sysak:** As I mentioned earlier, Phillip Carter, the chair of the West Queen West BIA, has dealt with the OMB. I was polite with the terms he used. He said that some of the decisions from the OMB—and he did not insult the people involved at the OMB. They're professional, but again, they're not involved in the local issues. Sometimes, if it was between—not a great example—20 and 10, the OMB would decide 15, completely not fitting into the thing but just to make deals, sometimes going against what is not only best but what is legal in certain areas, for sure.

**Mr. Rosario Marchese:** The other point is that across Canada, we are the only province that has an OMB. As far as I know, those cases are not taken to the courts. There is something that the other provinces do in their planning that does not have people rushing to the courts. Is it automatic, as Mr. McDonell says, that somehow my bill, even though my bill is enabling—it allows them to have a local appeals body—automatically means that where there is disagreement they would go to the courts? What do you think?

**Mr. Rob Sysak:** No, I disagree. Again, as I mentioned earlier, you folks—the province—have given that responsibility of that AGCO part to the city, so you trust them already. I don't think they're going to go to the courts. Also, Toronto is larger than a lot of the provinces. They are responsible folks. Give them that responsibility. Give them the accountability and they won't be going to the courts; I guarantee it.

**Mr. Rosario Marchese:** Thanks very much, Rob, for coming—oh, Michael has a question.

**The Chair (Mrs. Laura Albanese):** Mr. Prue.

**Mr. Michael Prue:** I have a couple of questions, yes. Your organization—have you ever had to take a developer or the city to the OMB?

**Mr. Rob Sysak:** The BIAs or ABCs of the city—associations, boards and committees—we are not allowed to oppose anything that the city does. So if the city is not taking someone to the OMB, our members cannot do that. But there are developments in our area where the OMB does come. Councillor Layton is part of it, and Councillor Ana Bailão. We've been to a lot of meetings where our members aren't necessarily on board. It's a difficult issue for the BIA. We can't oppose an OMB thing if the city is not against it.

**Mr. Michael Prue:** Okay. But if the city is against it, have you been there, to the OMB?

**Mr. Rob Sysak:** No, but I've heard from Phil Carter and a few other folks.

**Mr. Michael Prue:** That they have?

**Mr. Rob Sysak:** Yes.

**Mr. Michael Prue:** I just wonder: Does your organization ever have to worry about the costs? I know you haven't gone. But we had a group in here last week. They had an approximately \$1,000-a-year budget for their local homeowners' association. The entire \$1,000 budget, every single penny, went to insurance for them should they have to go to the OMB. They virtually have no money to spend other than insurance.

**Mr. Rob Sysak:** Again, Phil Carter and Paul Oberst have mentioned that. They are heritage architects, and sometimes they've made a living in years just going to the OMB to speak heritage, because it costs that much. The fear is that, if you're a residents' group that is coming up against something or a business group that's outside of the BIA, you don't have the resources to defend your position, for sure.

**Mr. Michael Prue:** Okay. I thank you.

**The Chair (Mrs. Laura Albanese):** Well, thank you very much for your testimony this afternoon.

**Mr. Rob Sysak:** Thank you.

#### DR. AARON MOORE

**The Chair (Mrs. Laura Albanese):** Our next presenter will be joining us via conference call. We'll be talking to Mr. Aaron Moore. Good afternoon.

**Dr. Aaron Moore:** Good afternoon.

**The Chair (Mrs. Laura Albanese):** You can be heard by all the committee members. You will have up to 15 minutes for your presentation. Should there be any time left over, that will be used for questioning by the committee members.

You may begin any time you feel ready.

**Dr. Aaron Moore:** Okay. I'll begin now, then. I have something prepared, but before I delve into that, I just want to address something one of the previous presenters mentioned. I've only heard a bit of the conversation, but,

in fact, every province except British Columbia has some form of appeal body. Where the Ontario Municipal Board is distinct is in how it makes its decisions.

In most jurisdictions, the decisions of the appeals bodies are based on the existing official plan and whether, in fact, the zoning bylaw adheres to the official plan, whereas obviously that's not the case in Ontario. I just want to stress that fact, that they do in fact exist elsewhere.

Anyway, now I'll come back to what was my initial intention in presenting today. I'd first like to thank the committee for allowing me to speak today and for accommodating me despite my obvious locational issues.

Just as background on myself: I'm an assistant professor in the political science department at the University of Winnipeg and a fellow at the Institute on Municipal Finance and Governance at the University of Toronto. I am also the author of the book *Planning Politics in Toronto: The Ontario Municipal Board and Urban Development*, which was published by the University of Toronto Press last year.

My submission today is based on the research I conducted for that book, as well as later research I have conducted, as well as numerous discussions I have had with various stakeholders in the politics of urban development in Toronto. With regard to Bill 20, I am limiting my remarks to provisions that would strip the OMB of powers over planning in Toronto; I'm not talking about other things it would be responsible for.

I believe there are two separate issues at play in Toronto with regard to planning politics. The first issue or problem revolves around the perception that the OMB is biased toward developers or that it severely restricts the meaningful participation of residents in OMB hearings. This issue obviously applies across the province; it is not exclusive to Toronto.

The second issue pertains specifically to the opaque nature of the planning practices in the city of Toronto and the frustration this causes among residents and even some developers. While this issue is often attributed to the OMB, I believe that it is an issue that is particular to the way the city of Toronto conducts planning.

I will address both of these issues, but first I would like to state that, as it's currently written, I do not think Bill 20 addresses either of them. First, the bill removes Toronto from the jurisdiction of the OMB. However, it does not address any of the problems associated with accessibility for residents residing in municipalities that will continue to fall under its jurisdiction. Second, the issue of lack of transparency and the seeming randomness of planning in the city of Toronto is a product of the current planning practices in the city and the prevalence of antiquated zoning bylaws. Removing the city of Toronto from the jurisdiction of the OMB will not address these issues.

I'll begin by addressing the issue of lack of accessibility for residents at the OMB and the perception of bias. This is based on my research of appeals relating to major zoning and official plan amendments from 2000 to 2006, which was what my book focused on.

I can attest that most appeals to the OMB were procedural appeals from developers due to the city's failure to make decisions in the prescribed time. The vast majority of those were settled before an OMB hearing took place, so the OMB didn't actually render decisions on them. It is my understanding, although I don't have all the numbers related to this, that since the province extended the period of time municipalities have to make a decision, the number of such appeals has declined.

## 1520

Of the cases that actually resulted in OMB hearings during my period of study, where city council supported city planners' rejection of a proposed amendment, the city won about half of the time. So, so long as council is actually supporting a decision of city planners to reject a proposal, they actually did reasonably well at the OMB. The only indication of a bias in favour of developers was when city council chose to ignore recommendations of city planners and refused an application for an amendment, often on behalf of residents opposed to the development. Those cases are actually fairly rare. They counted for less than 10% of the appeals that I looked at during my study. So I found no substantive evidence that the OMB was biased in favour of developers.

What I did find was that the board based the majority of its decisions on the testimony of planning experts. It is this focus on planning expertise that limits residents from being effective at the board. So residents are at a disadvantage at the board relative to municipalities and developers because they lack the resources to hire the expertise necessary to win an OMB decision.

Now, while removing the city of Toronto from the jurisdiction of the board may alleviate Toronto residents' sense of marginalization at board hearings, doing so obviously does not address this issue as it pertains to the rest of Ontario municipalities. This lack of accessibility, in my mind, is a product of limited direction from the province to the board on how it should render decisions and consider testimony from non-experts. The board has created its own common law system, basically, of what it considers to be best planning practices. If the province wants to address the lack of accessibility, it needs to direct the OMB on how to address the interests of residents in making its decisions. I don't think this, though, does that.

Just as an aside, it's really unclear to me, if the city were to create its own appeals body, how it would make decisions different from the OMB. I think that's something that really needs to be clarified when people talk about that, because if it's making similar decisions based on planning rationale and it's not clear what the planning rationale is, it could have the same outcome as OMB hearings. So the second issue is the lack of transparency in Toronto planning.

I believe the OMB acts as a useful scapegoat, particularly for local politicians, for what is otherwise a broken and stressed planning regime in Toronto. As I'm sure you're all aware, because you are in Toronto, Toronto is currently undergoing an unprecedented boom in

development led by the construction of condominiums. This has been taking place since at least the mid- to late 1990s. So, really, the boom began around the time of amalgamation. Aside from the introduction of a new official plan that really didn't come into force until 2007, Toronto has not kept up its zoning bylaws with the pace of new development. So in some parts of the city, you actually have zoning bylaws that are over 60 years old. As a result, the city is making zoning amendments on a site-by-site basis rather than implementing wholesale changes to existing zoning policy. I would say section 37 only further adds to this approach and provides an incentive to maintain the status quo, which is antiquated zoning bylaws and the necessity of making site-specific amendments.

At the same time, we have the new wave of development which is often encroaching on established neighbourhoods. Not surprisingly, residents in these neighbourhoods, which are armed mostly with just outdated zoning bylaws, are becoming frustrated with a process that seemingly lacks transparency and opportunity for real citizen input. They are, I believe, being left out of the loop even though city planning and councillors, to an extent, are trying to create more consultation with residents. But they are being left out of the loop precisely because they don't know what type of development will be permitted where in the city, because there are no laws on the books right now that they can rely on.

Now, since the OMB has been responsible for making final decisions on some of the more controversial developments, much of the residents' frustration is directed at the board. I think sometimes local elected officials don't really do much to dissuade that. In practice, though, the OMB has little to do with the pace of construction in the city and with the city's inability or unwillingness to implement a more transparent system of planning.

So I believe the purpose of the bill—and I'm not the one who wrote it, so I can't attest to this—is to address residents' frustration. I think this is a commendable thing to do. However, I also believe that residents will quickly learn that this frustration would remain if the OMB were to be removed in Toronto.

The OMB, I would say at this point in time, is not a particularly useful venue for many residents to successfully oppose development. It is one of the few venues that actually exposes the current planning practices in Toronto. At the very least, I would say that it acts as a check on council's tendency to rubber-stamp city planning recommendations, because the vast majority of decisions on planning are council just okaying whatever city planning has decided.

I'll just wrap things up with a few final thoughts. There is a potential, I think, for a made-in-Toronto solution to many of these issues, and it's in the works right now. If you go to the city's website, it's called Reset TO, and it's the introduction of the permit system in the city. Assuming there are enough resources and political will to implement it, it should in the long run begin to address these issues with planning in Toronto. If and when the

system is largely in place, and the city demonstrates that it has moved away from the practices of ad hoc planning, which the permit system would hopefully achieve—and I think this is actually something that city planners have been committed to do for some time—I think we can return to questions of the OMB's role in Toronto.

However, given the current planning regime in the city, which is ad hoc, I believe removing the OMB could actually, despite what the previous speakers are saying, lead to increases of court cases, if there is no appeals body. I can attest to a number of jurisdictions in the US that have no appeals body—Illinois particularly is a good example—where they have court cases that can last for decades. Outside of British Columbia, which is an unusual case in terms of planning, most provinces at least have something in place to act as a barrier between courts.

My fear is that without any barrier whatsoever, and particularly given how the city makes decisions, what developers could do in Toronto is say, "Well, each time the city makes a site amendment, that's precedent-setting, and if they're making decisions that support one developer's proposal and not ours and it's similar enough," then they can challenge that in the courts as suggesting that the city is actually being biased in favour of other developers. That's my potential fear. I don't think that removing the OMB is necessarily—I don't think it will make things better, and there is a potential that it could actually make things worse, at least in the short or mid-run.

Again, in the future, if we see introduction of the permit system in Toronto being effective and the reduction in the number of site-specific amendments, I think that we could revisit the question of the need for the OMB in the city. But right now, I don't think that's something we should do. That's my comments today.

**The Chair (Mrs. Laura Albanese):** Thank you for that presentation.

We do have about three minutes left for questioning, and this round will go to the government side. Ms. Wong?

**Ms. Soo Wong:** Thank you, Dr. Moore. Thank you for participating in this conversation about Bill 20. We have heard previous witnesses share with the committee about the zoning bylaws in the city of Toronto as being a problem. We also heard this morning that the committee of adjustment needs to be improved. In your expert opinion, Dr. Moore, can you share with the committee which is more of a priority, the zoning bylaw or the committee of adjustment?

**Dr. Aaron Moore:** I honestly don't know quite as much about the committee of adjustment. I know it to an extent. My understanding is that it will matter mostly for the frustration that people have when it comes to issues of small or minor zoning, in theory. I think the bigger issue in what's causing the most frustration has to do more with the issues of rezoning amendments, so that I think adjusting the zoning bylaws in Toronto would matter more.

**Ms. Soo Wong:** Because of the time, can you just answer yes or no: Do you believe that there should be an independent appeal process to deal with planning to support the city of Toronto?

**Dr. Aaron Moore:** Yes.

**Ms. Soo Wong:** Okay. Thank you.

**The Chair (Mrs. Laura Albanese):** Any further questions from the government side? Ms. Hunter.

**Ms. Mitzie Hunter:** Thank you so much for your presentation. Really, in listening to you, looking at both sides of the issues, I wonder if in our last remaining moments you could talk about strengthening the voice of those residents, because I think that you've acknowledged that while there might be a good intention in putting forward Bill 20, it might not necessarily resolve that sense of frustration that local residents have in terms of the planning process.

1530

**Dr. Aaron Moore:** Yes, it's a very difficult question to answer, and it's something I've actually discussed with a number of individuals. I don't have a perfect solution to it.

The one thing would be to consider looking at changes to how the OMB makes decisions. As I mentioned, in other jurisdictions, once an official plan is in place, you have bodies that will actually use the official plan as the litmus test for whether a zoning bylaw can be passed. That would certainly simplify things, and it would make it easier for residents to use the existing official plan to argue from.

Other than that, I think it's really the province's responsibility to sit down and determine what they want the OMB to do and how it should make its decisions. I'm not sure that the province has really done that. Obviously, the OMB has been around for a long time, so maybe that's a dialogue that needs to begin now.

**Ms. Mitzie Hunter:** Thank you.

**The Chair (Mrs. Laura Albanese):** Thank you very much for your time this afternoon. The time at our disposal has unfortunately expired.

**Dr. Aaron Moore:** Okay. Thank you.

#### MR. MIKE LAYTON

**The Chair (Mrs. Laura Albanese):** We'll now call on our next witness: Councillor Mike Layton. Welcome to our committee. Make yourself comfortable. As you will have heard from previous presenters, you will have up to 15 minutes for your presentation. Should there be any time left over, there will be a round of questioning that will come, in this case, from the Conservatives. You may begin.

**Mr. Mike Layton:** Sure. Thank you very much. I promise to be as brief and as to the point as possible. I realize I'm the final deputant, holding you all away from your constituencies and your families for what I hope will be a long and exciting weekend for all of you.

Madam Chair and committee members, thank you for the opportunity to speak to you here today. My name is

Mike Layton. I'm a Toronto city councillor for ward 19, Trinity-Spadina. For those of you who don't know, I represent west of Bathurst to Dovercourt, which is where a lot of those cranes are that you see in the sky, that are employing all those many people and creating all that great housing. I also hold a graduate degree in urban planning from York University.

I represent a downtown neighbourhood that is under significant development pressure. My constituency includes neighbourhoods like King Street West, Liberty Village and Fort York. Large parts of these neighbourhoods were once industrial parks and are now home to tens of thousands of people. Families, children and seniors are building homes there.

While the Places to Grow Act and the provincial policy statement correctly encourage intensification along key transportation routes, the densities that are being experienced in some neighbourhoods have choked local transportation lines and strained other public amenities like parks, community centres and schools.

I am here today to ask for your assistance: your assistance to make sure we can continue to build a vibrant city; your assistance to make sure we can continue to build a livable city. I am here to ask for your assistance to make sure the Ontario Municipal Board does not continue to overturn city decisions on planning matters and instead allows a greater local voice in planning decisions.

I would like to make three points to you today: first, that the current OMB regime is forcing municipalities to rush into making ill-advised decisions; second, that the OMB is not a democratic institution—it is not a publicly accessible body, because of the expertise and resources required to effectively participate in the proceedings; and finally, that the OMB discourages good planning and instead encourages a patchwork approach to what is a delicate planning process.

The OMB is more than a planning appeals body; it is a dagger hanging over the heads of every city community, every city planner, every city politician and every resident of all of our municipalities. City planners are constantly rationalizing approvals at community meetings, at council meetings, in phone calls with constituents and in planning reports because of the threat of an OMB decision on the outcome. We are approving projects in part because we have the OMB hanging over our heads.

Let me make this point as clear as possible: City planners routinely make decisions and grant approvals to projects not because they are good planning, not because they are supported by the local community or the local councillor, but in part because of the likelihood of a positive board decision in favour of the applicant and against the interests of the community and the municipality.

Such an approach often results in bad planning. A city planner should not feel pressured to recommend the approval of a project or an aspect of a project because it would be overturned at the board. As long as cities are in

conformity with provincial policies, a city's underlying bylaws and guidelines should be at the heart of the planning decisions being made.

In addition, often the requirement to respond to a development application within a prescribed timeline—particularly in the case of downtown Toronto, with the number of applications that we have—is unrealistic; and the threat of a board hearing limits our municipality's ability to properly study and respond to zoning applications.

I often make the comparison between MPs, MPPs and city councillors that we, in fact, have to knock on fewer doors because we go to more community meetings, and that's because we're in our constituency. But I've got to tell you, when I have 15 or 20 development applications open for buildings larger than 15 storeys that I'd like to have more than one public meeting on, it makes booking those meetings rather difficult. So it's not just the number of planners we have in the city; it's the ability for me, as the local elected official, to go out, be at those meetings and listen to my constituents.

Perhaps it's an unfair comparison. You guys are brought far away from your families and your homes, and we respect that and appreciate your effort.

Altogether, city planners are put in the position of making recommendations for an application that take into account a likely position of the board, rather than focusing squarely on what is in the best interest of the community.

I would like to clarify a point that was brought up by a member of the committee regarding the chief planner's remarks. We got this directly from the chief planner in an email recently because of some of our concerns on how the remarks were being interpreted. When we talk about 4% of decisions going to the board, that's within the reality that we negotiate and deal with a lot of applications before the board so that we don't have decisions at the board. We heard from the previous speaker that often we don't meet the required timeline and we settle before the board. Well, that doesn't necessarily mean we settled for what was the best planning. It often means we're settling because we're settling on something that could be worse. The idea that we have a 50-50 win percentage at the board is actually in fact because, out of fear that we could get a worse decision at the board, we negotiate them before it goes to the court.

To my second point, on the institution, that the OMB is inherently undemocratic: While members of the public are not barred from participating at the board, the hearings themselves are far from accessible and fair. If a member of the public wishes to participate effectively, they need to pay a lawyer and an independent planner to represent them. We have had many examples of instances where applicants with deep pockets have outgunned community groups at the OMB by hiring highly paid experts to represent their position, while the community was unable to build a suitable case due to their resources. Coincidentally, later this summer I will be attending a fundraiser, as their auctioneer, for a neighbourhood asso-

ciation whose members went into personal debt to fund a fight at the OMB. Residents, through no fault of their own, are on the hook for legal expenses that they have no control over.

Think about it. Your neighbour decides to build a small apartment building on his lot, but it will block your windows. He applies for a minor variance, which is rejected. He appeals to the board. All of a sudden, you are required to pay thousands of dollars for a lawyer and a planner to represent you at the board, if you want to have any chance of defending yourself and your property. You are entirely out of pocket, at no fault of your own.

Accessibility and fairness are at the heart of our democratic institutions, but unfortunately, this one has failed us.

On to my final point, on how the OMB encourages a patchwork approach to planning: Cities put enormous amounts of resources into official plans, zoning bylaws and various planning guidelines, but once an application is made to the board, the weight and importance of many of these rules are lost.

Board members have an enormous amount of material they are required to review to reach a certain decision. No doubt they are presented with conflicting information, facts and theories as evidence from various municipalities and applicants on a regular basis. Think about trying to apply the same rules in one rural municipality as for a downtown area of 20,000 to 30,000 people. Some municipalities might use one set of bylaws that suit their unique circumstances and others might use a conflicting set. Who's right? Is it up to the board member or the municipality who wrote them? The board member might not share the local understanding and context in which the decisions are made.

A good example of this is the case of 1030 King Street West, a residential condominium with retail at grade. A crucial question around parking was put to the board member, a concern shared by all sides—the community, the developer and the city. The city solicitor argued that the city's standard for residential parking and visitor parking should apply. This was supported by the community. The applicant argued for a lower set of standards.

**1540**

Instead of going with one set of standards or the other, the board member invented a completely new set of standards for residential and visitor parking—in fact, the same total amount of parking but a different distribution of the two—but that's really critical when you're actually trying to figure out how to use the space.

Since that board decision, the city and the applicant have worked for a year to try to fix the results of the decision that were brought about by the board. We're actually right now close to avoiding yet another board hearing from changing back some of the mix in parking.

I'd like to add a fourth point that was brought up, that has to do with our zoning bylaws as a tool for growth. It has not yet been recognized that Toronto city council, in fact, has lots of planning tools at our disposal. We have avenue studies that we go through and regularly do when

we have areas and streets that are under particular pressures for development. They follow the principles of the Places to Grow Act and what the provincial policy statements say. We want development along those routes, and we develop plans for midrise buildings so that they have appropriate transition to the neighbourhood.

These are consistent with the provincial policy statement, they've been put into effect by the city of Toronto and we judge applications accordingly, but what developers do is they rarely come in with anything but the maximum. In fact, what they normally come up with is above the maximum. This is why it's really important that we keep a set of bylaws that don't just in fact hand it all over to developers, because then, all of a sudden, what is a significant increase they might turn into a minor variance. Then, all of a sudden, we don't have some of the same checks and balances.

As I've tried to outline in my statement today, I believe that, in order to have a fair system that leads to good planning decisions, we need a planning appeals body that is accessible to the public, that respects municipalities and that has better understanding of the local circumstances surrounding planning applications. I'm not here to advocate whether or not the final decision rests on elected officials or another appeal body, but I think that we do need some change, and we need to open up the dialogue for this change. Thank you very much.

**The Chair (Mrs. Laura Albanese):** Well, thank you very much for your presentation. Mr. McDonell, we have about four minutes for questions.

**Mr. Jim McDonell:** Okay. Thank you. I think that one issue we've heard throughout today is a couple of things; one is that the province hasn't given clear direction to the OMB, so we're seeing decisions that are not following local plans.

I would contend that the city—in this case, the city of Toronto—does have control over planning, and that's through their official plan and zoning bylaw. It's essential that those are—whether it be through avenue plans, as you were saying—brought up to the wishes of the city and that they also follow the provincial policy statements. Then the OMB should only be able to interpret development based on those plans. But there needs to be more work on that. Would that be where you're looking to go, or what would you think of those?

**Mr. Mike Layton:** I think that, at a minimum, that might address some of the concerns that I have with the board; that is, the local circumstances and how much control the board has over overturning what the municipal direction has been.

I think that's the right way to do planning: You have experts advise the elected officials about how things should go, consistent with what the larger policy positions are, like the Places to Grow Act—again, a good piece of legislation in a lot of respects. This idea that you put density on larger transportation nodes is, I think, consistent with good planning, and I don't think any politician at the municipal level would disagree. But when you have them so offside in a lot of their decisions, I think that's a mistake. If the provincial government can

give more direction to them, I think that's a first step, but then we're still not reaching this idea—it's not really an accessible platform to have this discussion, and it really does turn its head away from what the municipality wishes.

**Mr. Jim McDonell:** Just a quick comment on that: That's where the direction comes in the province. I think we heard that they haven't been doing it, but the accessibility is key.

**Mrs. Gila Martow:** The member from Vaughan lives in the same city as myself. I live in Vaughan as well. It has been suggested in the local papers many times that there is a certain amount of game-playing and maybe—I don't want to use the word "collusion." But it has definitely been suggested a few times that a developer will go to a councillor and say, "I know it's zoned 10 storeys; I want to build 14 storeys," and somehow all of a sudden they're asking for 20 storeys, figuring that the OMB usually just sort of compromises between. Then the councillor can say to the residents, "You see? I talked him down to 15 storeys. He wanted 20 storeys." Do you get that sense in Toronto, which we keep hearing about in the local papers up north?

**Mr. Mike Layton:** All the time. I had a developer walk into my office with an eight-storey building. By the time we got to the community meeting, it was a 10-storey building. I'm pleased to say it's back down to around eight, but that was the little game we played, and all the while folks were saying, "Well, we've got to get a decision now, councillor, or else once the end of the year hits, then we have a four-month break and we're going to probably be off to the board." That's putting us under intense pressure to host additional public meetings in a very short window of time.

But that is not infrequent that—we see it first-hand. The public isn't fooled by it anymore. They see it and they say, "Well, they came in with this because they really want this."

**Mrs. Gila Martow:** Right. The city of Vaughan recently stated—and forgive me if my numbers are off, but I believe they predicted \$150,000 to take something to the OMB, so they felt they'd rather just give in. They say that the residents should actually be happy because they're saving them \$150,000.

What is usually the nature—say just a condo development that's zoned for 10 storeys. They're asking for 20, maybe it will be settled for 15—who knows—but what would be the cost? Because it does affect everybody. Even if it's the city's budget, the taxpayers are paying. I think that's why the taxpayers are frustrated: They're paying both sides. They're paying the city to defend the city's position, and then if they want to present their side of it, they have to hire lawyers. So they're paying both sets of lawyers.

**Mr. Mike Layton:** Yes. I should know this number because our mayor often gets up and votes against every decision to go to the Ontario Municipal Board, despite what the impact might be, because of the additional cost. It often depends on whether or not city staff are supportive of it, but the elected officials aren't or the community

isn't—but it can range up there for anything from a minor variance, so the \$10,000, \$20,000 range to pay our own lawyers; and then, if we have to hire outside planners and lawyers, depending on how complicated the case is, it's upwards of \$100,000.

We have sometimes gotten better negotiating positions because of the cost to the developer, where the developer has just said, "This isn't worth the"—because they have to hire people also to defend them. Normally, their consultants are even more highly paid than our city staff. They end up saying, "Well, you know what? A \$500,000 board hearing is worth about two storeys, so we'll give you them."

**Mrs. Gila Martow:** Right—

**The Chair (Mrs. Laura Albanese):** Thank you. I'm sorry, but the time—

**Mrs. Gila Martow:** Yes, I know we're past the time.

**The Chair (Mrs. Laura Albanese):** Yes, the time has expired. Thank you, Councillor Layton.

The committee is adjourned to Thursday, May 1, 2014, for clause-by-clause consideration of Bill 20. Thank you very much to all the members. Have a great long weekend.

*The committee adjourned at 1547.*



## **STANDING COMMITTEE ON FINANCE AND ECONOMIC AFFAIRS**

### **Chair / Présidente**

Mrs. Laura Albanese (York South-Weston / York-Sud-Weston L)

### **Vice-Chair / Vice-Présidente**

Ms. Soo Wong (Scarborough-Agincourt L)

Mrs. Laura Albanese (York South-Weston / York-Sud-Weston L)

Mr. Steven Del Duca (Vaughan L)

Mr. Victor Fedeli (Nipissing PC)

Ms. Catherine Fife (Kitchener-Waterloo ND)

Mr. Douglas C. Holyday (Etobicoke-Lakeshore PC)

Ms. Mitzie Hunter (Scarborough-Guildwood L)

Mr. Monte McNaughton (Lambton-Kent-Middlesex PC)

Mr. Michael Prue (Beaches-East York ND)

Ms. Soo Wong (Scarborough-Agincourt L)

### **Substitutions / Membres remplaçants**

Ms. Dipika Damerla (Mississauga East-Cooksville / Mississauga-Est-Cooksville L)

Mr. John Fraser (Ottawa South L)

Mrs. Amrit Mangat (Mississauga-Brampton South / Mississauga-Brampton-Sud L)

Mr. Rosario Marchese (Trinity-Spadina ND)

Mrs. Gila Martow (Thornhill PC)

Mr. Jim McDonell (Stormont-Dundas-South Glengarry PC)

Mr. Rob E. Milligan (Northumberland-Quinte West PC)

### **Clerk / Greffier**

Mr. Katch Koch

### **Staff / Personnel**

Mr. Ian Morris, research officer,  
Research Services

## CONTENTS

Thursday 17 April 2014

Respect for Municipalities Act (City of Toronto), 2014, Bill 20, Mr. Marchese / Loi de 2014 sur le respect des municipalités (cité de Toronto), projet de loi 20, M. Marchese .....	F-847
Ontario Home Builders' Association .....	F-847
Mr. Joe Vaccaro	
Mr. Mike Collins-Williams	
Building Industry and Land Development Association .....	F-850
Mr. Stephen Upton	
Mr. Gary Switzer	
Confederation of Resident and Ratepayer Associations in Toronto.....	F-853
Ms. Eileen Denny	
Ontario Association of Architects .....	F-855
Ms. Sheena Sharp	
Mr. Lubomyr Lahodynskyj .....	F-857
Mr. Brian Graff .....	F-862
Mr. Nick Elson .....	F-864
Toronto Architectural Conservancy .....	F-867
Ms. Catherine Nasmyth	
West Queen West Business Improvement Area.....	F-869
Mr. Rob Sysak	
Dr. Aaron Moore .....	F-871
Mr. Mike Layton .....	F-874

CAZON  
X-025  
-F31

Government  
Publication



F-31

F-31

ISSN 1180-4386

## Legislative Assembly of Ontario

Second Session, 40<sup>th</sup> Parliament

## Assemblée législative de l'Ontario

Deuxième session, 40<sup>e</sup> législature

# Official Report of Debates (Hansard)

Thursday 1 May 2014

# Journal des débats (Hansard)

Jeudi 1<sup>er</sup> mai 2014

## Standing Committee on Finance and Economic Affairs

Respect for Municipalities Act  
(City of Toronto), 2014

## Comité permanent des finances et des affaires économiques

Loi de 2014 sur le respect  
des municipalités  
(cité de Toronto)



Chair: Laura Albanese  
Clerk: Katch Koch

Présidente : Laura Albanese  
Greffier : Katch Koch

### **Hansard on the Internet**

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. The address is:

<http://www.ontla.on.ca/>

### **Index inquiries**

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.

### **Le Journal des débats sur Internet**

L'adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance est :

### **Renseignements sur l'index**

Adressez vos questions portant sur des numéros précédents du Journal des débats au personnel de l'index, qui vous fourniront des références aux pages dans l'index cumulatif, en composant le 416-325-7410 ou le 325-3708.



## LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON  
FINANCE AND ECONOMIC AFFAIRS

Thursday 1 May 2014

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES FINANCES  
ET DES AFFAIRES ÉCONOMIQUESJeudi 1<sup>er</sup> mai 2014*The committee met at 0902 in room 151.*RESPECT FOR MUNICIPALITIES ACT  
(CITY OF TORONTO), 2014LOI DE 2014 SUR LE RESPECT  
DES MUNICIPALITÉS  
(CITÉ DE TORONTO)

Consideration of the following bill:

Bill 20, An Act respecting the City of Toronto and the Ontario Municipal Board / Projet de loi 20, Loi portant sur la cité de Toronto et la Commission des affaires municipales de l'Ontario.

**The Chair (Mrs. Laura Albanese):** Good morning. I call this committee to order. We are here to consider Bill 20, An Act respecting the City of Toronto and the Ontario Municipal Board. Are there any comments, questions, amendments?

**Mr. Rick Bartolucci:** Chair, we're going to try to make this easy. I move that all amendments that were introduced be struck, be removed. We're withdrawing our amendments.

**Mr. Rosario Marchese:** God bless.

**Mr. Rick Bartolucci:** What do I have to do to do that?

**The Chair (Mrs. Laura Albanese):** So how would you like me to proceed? Would you like me to—

**Mr. Rosario Marchese:** All in favour of the bill?

**Mr. Rick Bartolucci:** All in favour. Okay. Let's have that. Let's bundle this all in one. There's no use wasting a lot of time.

**The Chair (Mrs. Laura Albanese):** Is there agreement?

**Mr. Michael Prue:** It's their amendments. If that's what they want to do, I'm happy.

**Mr. Rosario Marchese:** There are no amendments.

**Mr. Michael Prue:** But it was their proposed amendments.

**The Chair (Mrs. Laura Albanese):** So there are no amendments to the bill. Is there agreement to treat it as a whole? Okay. No debate?

Shall section 1 to section 33 inclusive, carry?

*Interjections.*

**The Chair (Mrs. Laura Albanese):** No? Okay, all those in favour—

**Mr. Rosario Marchese:** Recorded vote.

Ayes

Marchese, Prue.

Nays

Hillier, McDonell, McNaughton.

**The Chair (Mrs. Laura Albanese):** So that's defeated.

At this point, we'll move on to, shall I report that the bill not be reported to the House?

**Mr. Randy Hillier:** Another recorded vote.

**Interjection:** Could you read the question again, please?

**The Chair (Mrs. Laura Albanese):** Shall I report that the bill not be reported to the House?

Ayes

Hillier, McDonell, McNaughton.

Nays

Marchese, Prue.

**The Chair (Mrs. Laura Albanese):** We're done and the meeting is adjourned.

*The committee adjourned at 0905.*

## **CONTENTS**

Thursday 1 May 2014

Respect for Municipalities Act (City of Toronto), 2014, Bill 20, Mr. Marchese / Loi de 2014 sur le respect des municipalités (cité de Toronto), projet de loi 20, M. Marchese .....	F-879
---	-------

### **STANDING COMMITTEE ON FINANCE AND ECONOMIC AFFAIRS**

#### **Chair / Présidente**

Mrs. Laura Albanese (York South-Weston / York-Sud-Weston L)

#### **Vice-Chair / Vice-Présidente**

Ms. Soo Wong (Scarborough-Agincourt L)

Mrs. Laura Albanese (York South-Weston / York-Sud-Weston L)

Mr. Steven Del Duca (Vaughan L)

Mr. Victor Fedeli (Nipissing PC)

Ms. Catherine Fife (Kitchener-Waterloo ND)

Mr. Douglas C. Holyday (Etobicoke-Lakeshore PC)

Ms. Mitzie Hunter (Scarborough-Guildwood L)

Mr. Monte McNaughton (Lambton-Kent-Middlesex PC)

Mr. Michael Prue (Beaches-East York ND)

Ms. Soo Wong (Scarborough-Agincourt L)

#### **Substitutions / Membres remplaçants**

Mr. Rick Bartolucci (Sudbury L)

Mr. Randy Hillier (Lanark-Frontenac-Lennox and Addington PC)

Mr. Rosario Marchese (Trinity-Spadina ND)

Mr. Jim McDonell (Stormont-Dundas-South Glengarry PC)

#### **Clerk / Greffier**

Mr. Katch Koch

#### **Staff / Personnel**

Ms. Laura Hopkins, legislative counsel







3 1761 11549235 7

